

For information
on 15 January 2004

LegCo Panel on Manpower

Policy Initiatives of Economic Development and Labour Bureau

Introduction

The 2004 Policy Agenda just issued lists the Government's new and on-going initiatives over the next three and a half years. This paper elaborates on the 2004 initiatives relating to the labour portfolio of this Bureau and updates the progress of initiatives in the 2003 Policy Agenda.

2004 Policy Agenda

2. In respect of the new initiatives under the labour portfolio, we will :

(a) Initiative

- Extend the Youth Work Experience and Training Scheme (YWETS) for two years to place about 10 000 young people aged 15 to 24 into employment.

Description

- The YWETS was launched in July 2002 to provide work experience and on-the-job training for about 10 000 young people aged 15 - 24, with education attainment below degree level, with a view to enhancing their employability.
- Under the YWETS, trainees will be placed in training vacancies and provided with on-the-job training. They will also be entitled to reimbursement of related training course and examination fees, subject to a maximum of \$4,000 per trainee. Participating employers will also receive a monthly training subsidy of \$2,000 for each trainee engaged.
- The YWETS has been well received by employers and the social services sector, and proven effective in enhancing the employability of our young

people. Since its inception, some 10 729 youths have been placed into jobs under the Scheme and another 7 514 have found jobs through the assistance of their case managers assigned under the Scheme. We propose to extend the Scheme for two years to place another 10 000 young people aged 15 to 24 into employment with on-the-job training. The Scheme will be further improved to cater for the divergent training needs of the trainees.

- Our estimated budget for the scheme is about \$300 million.

(b) Initiative

- Launch a one-year pilot scheme to train and assist 1 000 young people aged 18 to 24 to become self-employed.

Description

- Other than traditional salaried employment, we see opportunities for young people to be self-employed, taking advantage of their motivation, entrepreneurship and innovation. We intend to train and assist 1 000 young people aged 18-24 with secondary education for self-employment. The training will be for 12 months (4-6 months for training and the rest for promotion, development and business start-up) in areas such as information technology and multimedia applications (e.g. graphic design, web-page editing, computer animation, desk-top publishing), personal care (e.g. hair-dressing, manicure, beauty therapy, aroma treatment) and public performances (e.g. magic show, hip-hop dance). Ten pilot projects each on a specific potential area with 100 trainees per project will be launched, making a total of 1 000 trainees.
- We intend to invite the Hong Kong Council of Social Services (“HKCSS”) to assume overall coordination of the Scheme and to review and evaluate its effectiveness. Non-Government Organisations (NGOs) will be invited to submit proposals. Selected NGOs will be responsible for the planning, organization and implementation of the pilot projects. Project components include training and promotion, development and business start-up. Where necessary, NGOs will act as the business managers of trainees in securing business, and provide follow-up service to young people in need of assistance on completion of the pilot projects.
- Our estimated budget for the Scheme is \$30 million.

(c) Initiative

- Extend some of the temporary jobs in the public sector to meet operational needs.

Description

- The Administration has launched a series of measures since 2000 to help the unemployed enter the labour market, including the creation of temporary jobs under various departments. Of these, about 19 000 will expire by end of March this year.
- After a careful review of these temporary jobs, and having regard to the operational needs, departments concerned will extend about 11 600 temporary jobs in a wide range of services including cleansing, health, welfare and leisure services and tourism. This would entail about \$880 million. For details, please refer to Annex.

Progress of Initiatives in 2003 Policy Agenda

3. We will continue to implement the initiatives laid out in the 2003 Policy Agenda. Progress of these initiatives, indicated as ongoing initiatives in the 2004 Policy Agenda, is as follows :

(a) Initiative

- Implement measures to help place the middle-aged unemployed in jobs.

Progress Made / Present Position

- Last year, the Administration launched two programmes to help the middle-aged enter the labour market, and they are the District Employment Programme for the Middle-aged (DEP) and the Re-employment Training Programme for the Middle-aged (RTP).
- The DEP is a one-year pilot programme launched in April 2003 to assist job-seekers aged 40 or above who have been unemployed for three months or above to find jobs in the vicinity of their residence. NGOs are commissioned to implement the programme. As at 31 December 2003, 332 placements have been achieved under the programme. The programme will expire in March this year.

- The RTP, launched in early May 2003, aims at assisting those aged 40 or above who have been unemployed for three months or above to secure employment through the provision of a training allowance to encourage employers to hire them. Employers who engage participants of the programme in full-time permanent posts and offer them on-the-job training will receive a training allowance of \$1,500 per month, for up to three months per trainee. As at 31 December 2003, the Programme has placed 2 048 participants into employment. They are mainly engaged as security guards, cleaners and labourers. We will continue to run this programme in 2004 for about 10 000 job seekers.

(b) Initiative

- Strengthen tripartite cooperation among the Government, employers and employees to maintain harmonious labour relations and help resolve employment issues.

Progress Made / Present Position

- Last year, the Labour Department strengthened tripartite cooperation through :
 - (a) more active use of tripartite committees to address industry-specific employment issues;
 - (b) organization of seminars on tripartite cooperation;
 - (c) stepping up promotional efforts such as publishing a new leaflet entitled “Harmonious Labour Relations through Tripartite Cooperation”;
 - (d) continued promotion of the use of written employment contract and keeping of wage records for the construction industry and rest day arrangements for the catering industry.
- The Labour Department will continue with the above efforts to strengthen tripartite cooperation and trust.

(c) Initiative

- Step up enforcement action and publicity to combat illegal employment.

Progress Made / Present Position

- The Government is determined to protect employment opportunities for our workforce by combating illegal employment. Last year, the Labour Department inspected 154 129 establishments and checked the identity of 233 864 employees. The Labour Department also conducted 36 joint operations with the Police or Immigration Department, representing an increase of 140% over 2002. The number of illegal workers detected by the Labour Department was 490, up 44% over the previous year.
- On the education front, the Labour Department has produced a new leaflet highlighting the serious consequences of imprisonment for employing illegal workers. The leaflet is distributed to construction contractors, households and shops.
- The Labour Department has set up a telephone hotline to facilitate the reporting of illegal employment and to enhance its intelligence gathering capacity.
- We will continue with our efforts to combat illegal employment. We will also strengthen cooperation with the relevant law enforcement departments.

(d) Initiative

- Step up enforcement action against wage offences.

Progress Made / Present Position

- The Government takes a serious view on non-payment or underpayment of wages by employers and the Labour Department has stepped up enforcement action. In 2003, the Labour Department secured convictions for 445 summonses on wage offences, representing a significant increase of 220% over the 139 summonses in 2002.
- The Employment Claims Investigation Unit set up in September 2002 has conducted in-depth investigation of suspected wage offences. The Department has also taken proactive action to detect wage offences through inspections at targeted workplaces. It has also strengthened its educational and promotional efforts to remind employers of their statutory obligation to pay wages on time and to educate employees on the right to lodge claims and the importance of serving as prosecution witnesses.

- We will continue our efforts in this regard in 2004.

(e) Initiative

- Continue with the Youth Pre-employment Training Programme (YPTP) for young people aged 15 to 19.

Progress Made / Present Position

- Launched in September 1999, the YPTP seeks to enhance the employability of school leavers aged 15-19 through a range of employment related training, workplace attachment as well as career counseling and support services. Since its inception, over 45 000 young people have been trained. Close to 70% of the trainees have secured employment.
- The YPTP has a recurrent funding of about \$90 million to provide 12 000 training places each year until 2006/07. To relieve the pressure on youth unemployment caused by the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003, we have increased the number of training places for the 2003/04 programme by 6 000 from 12 000 to 18 000.
- As in past years, the YPTP for 2003/04 is delivered in two phases. The first phase has commenced in September 2003. As at end-2003, some 6 500 trainees have completed their training on job-search and interpersonal skills. They will proceed to the remaining training modules and workplace attachment. The second phase will begin in March 2004.

Members' Views

4. We welcome Members' views on the various issues.

Labour Department
Economic Development and Labour Bureau
January 2004

**Extension of temporary jobs
Breakdown by departments**

Department	Number of jobs to be extended	Job nature/job titles
Social Welfare Department	3 850	Programme assistants, care assistants, peer counsellors, community work organizers, youth ambassadors
Food and Environmental Hygiene Department	3 280	Cleansing staff
Hospital Authority	2 400	Health Care assistants, construction workers
Leisure and Cultural Services Department	1 340	Cleansing staff and Leisure, Cultural, Sports and Arts Training Project Assistants
Home Affairs Department	350	Community service assistants, Clean Hong Kong Organizers
Tourism Commission	200	Tourism Development Assistants
Agriculture, Fisheries and Conservation Department	180	Cleansing staff for country parks
Total :	11 600	