

For information on  
19 March 2009

## **Legislative Council Panel on Manpower**

### **Measures to enhance the employment services of the Labour Department**

#### **Purpose**

This paper briefs Members on measures to enhance the employment services of the Labour Department (LD).

#### **Background**

2. As announced by the Financial Secretary in his 2009-10 Budget Speech on 25 February 2009, the Government will introduce targeted measures to promote various types of job and internship opportunities. These measures include:

- (a) LD will enhance and integrate its various employment programmes to provide training and employment opportunities for the vulnerable groups;
- (b) LD will adopt a more proactive approach in providing employment assistance to those made redundant during the financial crisis; and
- (c) LD will launch an “Internship Programme for University Graduates” to address the expected marked reduction in working opportunities for recent graduates.

Details of the measures to be implemented by LD are described below.

## **Measures to Enhance Employment Services**

### **(I) Enhance and integrate various employment programmes to provide training and employment opportunities**

#### *Young People*

3. LD administers the Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) to provide pre-employment and on-the-job training to young people aged 15 to 24 with educational attainment at sub-degree or below level. There are diverse elements within the two programmes to cater for the very different needs of youths with different educational attainment and interests. The effectiveness of the two youth programmes has from time to time been reaffirmed by feedbacks of stakeholders and evaluation results of independent consultancy studies.

4. LD has recently completed a review of the mode of operation, training contents and future directions of YPTP and YWETS. To strengthen the support services rendered to young people, YPTP and YWETS will be further enhanced and integrated into a “through-train” programme providing seamless and comprehensive youth training and employment support. Starting from the 2009/10 Programme commencing in September 2009, the revamped YPTP and YWETS will:

- (a) enrol trainees on a year-round basis in the place of the current two phases of recruitment per annum, so as to meet the training and employment needs of young people in a more timely and flexible manner;
- (b) extend the provision of personalised career guidance and counselling services by 12 months for trainees who have secured employment so as to better assist them to settle in their jobs, overcome problems in the workplaces, and pursue further learning and skills upgrading opportunities; and
- (c) organise more tailor-made and value-adding training-cum-employment projects in collaboration with employers and training bodies.

5. Trainees upon enrolment into the revamped YPTP and YWETS will be entitled to 12 months’ “through-train” training and employment support services, comprising:

- (a) pre-employment training generally of four to six months' duration – including four modules respectively on leadership, interpersonal, computer and job-specific skills;
- (b) one-month workplace attachment training (without employment relationship) – a trainee on completion of workplace attachment training is entitled to an allowance of \$2,000;
- (c) on-the-job training (with employment relationship) of six to 12 months – a participating employer is entitled to a training subsidy of \$2,000 per trainee per month during the period of on-the-job training<sup>1</sup>; and
- (d) reimbursement of course and examination fees up to \$4,000 per trainee for attending relevant off-the-job training courses.

6. To facilitate life-long learning and development of trainees, YPTP and YWETS will by phases seek accreditation of the pre-employment training courses under the Qualifications Framework, establish a web-based platform for the dissemination of training and labour market information, and develop a standard assessment tool for use by case managers in assisting the trainees to formulate their career and training plans.

7. The revamped YPTP and YWETS are expected to provide training and employment support to 35 000 young people in the next two years. Since its inception, YPTP has trained more than 85 000 young people, with 70% of participants secured employment, whereas YWETS has assisted about 60 000 young people to find jobs, including 40 000 who were placed into training vacancies under YWETS. The revamped programme will strengthen coordination with other employment services of LD, making full use of LD's existing extensive employer network and strong partnership relations with employers to canvass on-the-job training vacancies of a wide variety for trainees.

8. The target of the revamped programme include all young people aged 15 to 24 with educational attainment at sub-degree level or below. The programme will be comprehensive and designed to meet the needs of young people of different educational background and aptitude. The revamped programme will not impose any ceiling on training capacity and will flexibly admit all eligible young people.

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<sup>1</sup> Employers are required to pay wages commensurate with the duties, responsibilities and training contents of the posts but in no case less than \$4,000 per month. According to operational experience of YWETS, participating employers were willing to pay wages on par with the market rate. About 80% of the vacancies offered monthly wages of \$5,000 or above.

### The Middle-aged

9. LD administers the Employment Programme for the Middle-aged (EPM) to encourage employers to engage middle-aged job seekers aged 40 or above and offer them on-the-job training. EPM will be enhanced to provide employment and on-the-job training opportunities to middle-aged job seekers by:

- (a) relaxing the eligibility criteria of job seekers in respect of the period of unemployment from “three months or more” to “one month or more”;
- (b) allowing the admission of job seekers with different educational background and skills levels on a flexible basis;
- (c) increasing the on-the-job training allowance payable to participating employers from \$1,500 to \$2,000 per employee per month<sup>2</sup>; and
- (d) extending the subsidy period for deserving cases (in which the employers are willing to offer a comprehensive training programme lasting for over three months) by three months up to a maximum period of six months.

10. The enhanced EPM is expected to provide employment and on-the-job training opportunities to some 8 000 middle-aged job seekers in the next two years.

### People with Disabilities (PWDs)

11. LD administers the Work Orientation and Placement Scheme (WOPS) to enhance the employability and competitiveness of PWDs through pre-employment training and work opportunities. WOPS will be enhanced to provide employment support and training opportunities for PWDs by:

- (a) increasing the monthly allowance payable to eligible employers from 1/2 to 2/3 of the monthly wages of the disabled employee during the work trial period, subject to an enhanced ceiling of \$4,000 per employee per month;

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<sup>2</sup> Employers are required to pay wages commensurate with the duties, responsibilities and training contents of the posts but in no case less than \$4,000 per month. According to operational experience of EPM, participating employers were willing to pay wages on par with the market rate. In 2008, 94% of the middle-aged job seekers placed into employment under EPM were paid monthly wages of \$5,000 or above.

- (b) extending the subsidy period for deserving cases (in which the employers are willing to offer comprehensive training or support lasting for over three months) by three months to a maximum period of six months;
- (c) paying daily training allowance of \$60 to PWDs who have attended the two-day pre-employment training programme under WOPS; and
- (d) employers are encouraged to appoint a mentor to help the disabled employee settle smoothly into his/her new jobs. Each mentor will be granted an award of \$500 by WOPS as a token of appreciation.

12. The enhanced WOPS is expected to provide employment support and training opportunities to some 800 PWDs in the next two years.

**(II) Employment assistance to employees made redundant during the financial crisis**

13. LD will adopt a more proactive approach in providing employment assistance to employees who lost their jobs in retrenchment and closure exercises amidst the financial tsunami. The measures to be taken will include:

- (a) LD will provide additional manpower to its 12 Job Centres to strengthen the collection of intelligence of redundancy and closure exercises and to reach out to the retrenched employees to offer employment and support services;
- (b) placement officers of LD will provide customised counseling services and follow-up employment support to the retrenched employees;
- (c) LD will organise thematic job fairs targeted at industries hard-hit by the economic downturn as well as district-based job fairs at district shopping centres or community halls to reach out to the unemployed; and
- (d) in major redundancy and closure cases, LD will proactively contact employers of relevant industries to solicit vacancies suitable for application by the retrenched employees and communicate the vacancy information to the retrenched employees to facilitate their job search.

### **(III) Internship Programme for University Graduates**

14. In anticipation of a marked reduction of job opportunities for university graduates, LD will launch an Internship Programme for University Graduates to provide about 4 000 places for interested graduates to work as interns and receive training in local or Mainland enterprises for a period of six to 12 months. The objectives of the Programme are to broaden the horizon of the graduates and help them gain experience, as well as to nurture talent for the industrial and business sectors of Hong Kong.

15. For local internships, graduates will receive internship training in their capacity as employees, and will be paid wages commensurate with the duties, responsibilities and training contents of the posts<sup>3</sup>. During the period of internship, an employer will be eligible to receive from the Government a training subsidy of \$2,000 per intern per month.

16. For Mainland internships, an intern will be entitled to a living allowance of HK\$3,000 and, depending on circumstances, an accommodation allowance of HK\$1,500 per month payable by the Hong Kong Government. Considering the usual practice of engaging interns on the Mainland and the relevant labour laws on Hong Kong citizens taking up Mainland employment, no employment relationship will be established for internships on the Mainland. The Government will take out an insurance policy to insure against the risk of personal accidents and public liabilities for the Mainland interns.

17. All the 12 degree-awarding tertiary institutions in Hong Kong have indicated interest in participating in the Programme. They will provide job-matching and follow-up services to their graduates (including students from the Mainland). Graduates of universities outside Hong Kong (including Mainland universities) who are Hong Kong citizens may join the Programme through LD.

18. LD is working out the parameters and modus operandi of the Programme with the participating tertiary institutions and relevant stakeholders. We have approached business chambers and enterprises and received their positive feedback and support.

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<sup>3</sup> Vetting of internship places will take into account a whole range of factors including the job nature and training contents of the posts as well as whether the wages offered are on par with the market wage levels. Wages offered by employers should in no case be less than \$4,000 per month.

## **Financial Implications**

19. An amount of \$400 million has been earmarked for implementing the proposed measures (I) on enhancement and integration of various employment programmes to provide training and employment opportunities, whereas additional funding of \$13 million will be provided for LD to implement the proposed measures (II) on provision of employment assistance to employees made redundant during the financial crisis.

20. As regards the proposed measure (III) on launching the Internship Programme for University Graduates, about \$140 million has been earmarked for subsidising the internships and meeting other related expenses under the Programme.

## **Funding Approval**

21. We plan to seek the funding approval of the Finance Committee for enhancing and integrating various employment programmes, and for launching the Internship Programme for University Graduates as soon as possible.

Labour and Welfare Bureau  
Labour Department  
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