

For information on
26 April 2010

Legislative Council Panel on Manpower

Measures of Labour Department to assist vulnerable youths, the unemployed and people with disabilities

Purpose

This paper briefs Members on the existing and enhancement measures of the Labour Department (LD) to support the employment of vulnerable youths, the unemployed and people with disabilities (PWDs).

Background

2. LD adopts multi-pronged and proactive measures to promote labour market efficiency and disseminate employment and vacancy information, with a view to assisting job-seekers find jobs as efficiently and as early as possible. It also operates a range of special employment programmes to provide targeted support to unemployed persons with difficulties in finding employment, including vulnerable youths and PWDs.

3. As announced by the Financial Secretary in his 2010-11 Budget Speech on 24 February 2010, the Government will introduce additional measures to enhance employment support to job-seekers. These measures include: -

- (a) launching a two-year Pilot Employment Navigator Programme (ENP) to provide job-seekers with intensive employment counselling and cash incentives so as to address the problem of manpower mismatch, fully utilise our labour productivity and encourage employment; and
- (b) implementing a special employment project to help those vulnerable youths with special employment difficulties.

Existing Employment Support Measures

4. The existing employment support measures of LD include: -
- (a) provision of a range of comprehensive and free employment services and special programmes (e.g. Employment Programme for the Middle-aged and Work Trial Scheme) to help able-bodied job-seekers find jobs;
 - (b) provision of personalised employment services and special programmes (e.g. Work Orientation and Placement Scheme and Self Help Integrated Placement Service) to help place PWDs into open employment;
 - (c) administration of the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme to provide a full range of pre-employment and on-the-job training to young people aged 15 to 24 with educational attainment at sub-degree or below level; and
 - (d) operating the Youth Employment Start to provide one-stop and personalised advisory and support services on employment and self-employment to young people aged 15 to 29.

Further details of the above existing employment support measures are available at **Appendix**.

5. On the treatment of PWDs under the statutory minimum wage (SMW) regime, LD has conducted consultation sessions with more than 50 rehabilitation organisations and some 30 employers with ample experience in employing PWDs. The majority view is that, as a matter of principle, PWD employees, like their able-bodied counterparts, should be entitled to be remunerated at no less than the SMW rate. Nevertheless, to minimise possible adverse consequences for PWDs' job opportunities, a special arrangement should be put in place. Under the Minimum Wage Bill, PWDs in employment may choose to have their productivity assessed in the authentic workplace to help determine if they should be remunerated at no less than the SMW level or a rate according to their productivity. To forestall abuse, the right to invoke the assessment is vested in the PWDs. We are now working out the implementation details of the assessment mechanism in collaboration with stakeholders in the rehabilitation sector.¹

¹ The Equal Opportunities Commission was represented at all discussion sessions

Enhancement Measures to Support Employment

6. As announced by the Chief Executive in his 2009-10 Policy Address on 14 October 2009 and reported to this Panel on 22 October 2009 (LC Paper No. CB(2)29/09-10(02)), LD will further improve its employment services by launching the following initiatives: -

- (a) setting up in early-2011 a pioneer one-stop employment and training centre, which seeks to streamline, integrate and enhance the existing employment and training/retraining services of LD, Social Welfare Department and Employees Retraining Board;
- (b) setting up a recruitment centre tailor-made for the retail industry in mid-2010;
- (c) continuing its efforts in expanding LD's employer network and pilot the loan of vacancy search terminals to NGOs, starting with those serving remote districts; and
- (d) disseminating information on job vacancies and recruitment activities to job-seekers through modern messaging technology progressively by mid-2010.

New Budget Initiatives

7. On top of the employment initiatives outlined in paragraph 6 above, LD will introduce two additional employment support measures as announced by the Financial Secretary in his 2010-11 Budget Speech on 24 February 2010. They are the two-year Pilot ENP and a special employment project for vulnerable youths.

Pilot Employment Navigator Programme

8. To motivate and assist needy able-bodied job-seekers and PWDs to remain in employment and to encourage self-reliance, LD will launch a two-year Pilot ENP to address the problem of manpower

and offered advice from the perspectives of equal opportunities and the Disability Discrimination Ordinance.

mismatch², fully utilise our labour productivity and encourage employment.

9. Under ENP, placement officers will gauge the employment and training needs of job-seekers and advise them of any mismatch between their knowledge and skills sets and the requirements of the jobs that they are looking for, and the need to adjust their expectations or to bridge the identified gap through, for example, retraining. Placement officers will also develop job search action plans together with job-seekers. Review meetings will be conducted with job-seekers from time to time as necessary to fine-tune the action plans and provide additional support e.g. training on job search skills and attendance of retraining courses, as may be required.

10. In the light of our experience in the provision of employment services, the initial three months of employment is critical to a job-seeker's subsequent retention in a job. Owing mainly to adjustment problems, the turnover rate is usually highest in the first month of employment. With the building up of skills, experience and social network, the turnover rate will gradually decline and stabilise after some three months of employment.

11. To alleviate the retention problem during the initial months of employment, an incentive of up to \$5,000 will be offered to each eligible ENP participant so as to encourage him/her to land on and stay in a job for at least three months. Eligibility criteria for the incentive are as follows: -

² LD's operational statistics illustrate the mismatch in the demand and supply of manpower in some occupations, as follows: -

Job Titles	As at 1 April 2010	
	No. of vacancies posted by LD	No. of job-seekers registered with LD
Waiter/Waitress	3 563	823
Sales Representative	1 823	135
General Office Clerk	2 403	5 833

Remuneration and working hours may not be the only factors dictating the interaction between manpower demand and supply. For example, for job registrants with no relevant experience, the median monthly salary offered for the most-sought-after General Office Clerk vacancies in Q1/2010 was \$6,500. For Sales Representative posts with similar experience and working hour requirements, the same median salary (exclusive of commission which is often payable for such posts) of \$6,500 was offered. Yet, the number of job registrants interested in Sales Representative vacancies falls far short of demand.

- (a) the job-seeker is unemployed upon joining ENP and has received services under ENP for at least one month;
- (b) he/she is employed to fill a vacancy listed under LD's employment service; and
- (c) the job concerned is a full-time permanent post offering a salary of \$6,500 or less per month.

12. To encourage the job-seeker to stay in employment, the incentive will be paid by three stages, i.e. \$500 will be paid to an eligible ENP participant upon successful employment and reporting duty; \$1,500 will be paid upon completion of the first month of employment; and the remaining \$3,000 will be paid after the participant stays in the job for three months. An ENP participant will be eligible for each stage of payment once during the two-year pilot. It is estimated that altogether 22 000 job seekers will benefit from ENP during the two-year pilot period.

Special employment project for vulnerable youths

13. While YPTP • YWETS has been offering a host of employment services and special employment projects for youth of different backgrounds and needs (Over 11,500 youths have enrolled in the revamped YPTP.YEWTS in the seven-month period since August 2009), we are mindful of the need to provide more customised employment services for young people with acute employment difficulties. To enhance their employability and support their career development, LD will launch a special employment project to offer on-the-job training and internship opportunities of 12 months' duration to these vulnerable youths through placements in NGOs.

14. The project will assist young people aged 15 to 24 with acute employment difficulties due to low educational attainment, emotional/behavioural problems, social handicaps, learning difficulties or other employment barriers. Through intensive and customised training and employment support, the project will help nurture the knowledge and skill sets of the participating young people for the benefit of their personal and career developments.

15. The project is expected to provide on-the-job training opportunities to 500 disadvantaged young people. In determining the proposed scale of the project, we have taken into account the demand for training vacancies in a previous project for similar target participants and the result of a survey on the estimated supply of training and internship vacancies by NGOs that will likely participate in the project.

16. Under the project, NGOs will nominate vulnerable youths for appointment to on-the-job training positions. Upon approval, trainees will work at the host NGOs for a period of 12 months and will be paid monthly wages of \$4,500. To facilitate NGOs to better perform their mentoring role, they will assume the capacity of employers and be responsible for the day-to-day supervision, counselling and training of their trainees. NGOs will also have to: -

- (a) assign caring staff as mentors to provide customised support to the trainees to help them settle in their jobs and deliver outcomes in line with organisational requirements;
- (b) formulate a training plan for the trainees, setting out, among other things, the training objectives, training mode, training duration and performance milestones;
- (c) review the performance of the trainees from time to time in conjunction with their case managers;
- (d) grant training leaves to the trainees to facilitate their attendance of off-the-job training programmes; and
- (e) report the progress of the trainees as required by LD.

17. LD will provide NGOs with funding to cover the remuneration, statutory benefits and employer's contributions to the Mandatory Provident Fund. Besides, LD will arrange pre-employment training on life skills and job skills to the participating young people to help them settle in their jobs as soon as possible. Trainees receiving on-the-job training will be encouraged to attend off-the-job training courses to further enhance their skills and may apply for reimbursement of course and examination fees of up to \$4,000 from LD.

Financial Implications

18. An amount of \$140 million has been earmarked for LD to implement the proposed two-year Pilot ENP, whereas funding of \$33 million will be provided for LD to launch the special employment project for vulnerable youth. We plan to seek funding approval for the two new budget initiatives from the Finance Committee in June 2010, with a view to implementing the measures as soon as possible in the latter part of the year.

Labour and Welfare Bureau
Labour Department
April 2010

Existing Employment Support Measure of the Labour Department

Able-bodied job seekers

LD provides a range of comprehensive and free employment services to job seekers through a network of 12 Job Centres, the Recruitment Centre for the Catering Industry, Telephone Employment Service Centre, Interactive Employment Service website and vacancy search terminals installed at various convenient locations across the territory. Special employment programmes, including the Job Matching Programme, Work Trial Scheme and Employment Programme for the Middle-aged are implemented to provide targeted support to job seekers who need more intensive employment services or have special difficulties in finding jobs.

Disabled job seekers

2. LD offers personalised employment services to help place PWDs into open employment. Apart from providing employment counselling and arranging job matching and referral, placement officers will prepare PWDs for job interviews beforehand and, where necessary, accompany them to attend the interviews. When a job seeker has been placed into employment, placement officers will provide follow-up services. LD also implements special programmes and measures to safeguard and promote the employment opportunities of PWDs.

Work Orientation and Placement Scheme

3. The Work Orientation and Placement Scheme (WOPS) was launched in April 2005 with a view to encouraging employers to offer job vacancies for PWDs through a three-month trial placement. On joining WOPS, job seekers with disabilities will undergo a short pre-employment training programme to improve their job search skills, interviewing techniques, communication and interpersonal skills, etc. For each PWD engaged under WOPS, participating employers will receive a financial incentive. To further improve the employment opportunities of PWDs amidst the economic challenge in 2009, the Government has enhanced WOPS by increasing the financial incentive to a rate equal to two-third of

the monthly salary paid to PWDs, subject to a ceiling of \$4,000 and for a maximum period of six months. As at 31 March 2010, a total of 1 713 placements were achieved under WOPS.

Self Help Integrated Placement Service

4. LD launched the Self Help Integrated Placement Service (SHIPS) in April 2000 to encourage and help job seekers with disabilities to be more proactive and independent in their job search by equipping them with the necessary knowledge on labour market situation, job search channels and interviewing techniques. As at 31 March 2010, 5 793 job seekers with disabilities participated in SHIPS and made a total of 17 529 self-initiated job applications.

Public education and publicity programmes

5. LD regularly organises public education and publicity activities to promote the employment opportunities of PWDs through educating the public, employers in particular, the working abilities of PWDs and how inclusion of PWDs benefits employers and the society. These activities include conducting special promotional campaigns to targeted trades to canvass vacancies, organising seminars and exhibitions to reach out to employers, advertising in the mass media, producing videos on success stories as well as publishing leaflets and guidebooks on employment of PWDs. A new Announcement in the Public Interest is being broadcast through TV and radio since March 2010 to promote the employment of PWDs.

Young People

Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme

6. LD administers the Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) which provide a full range of pre-employment and on-the-job training to young people aged 15 to 24 with educational attainment at sub-degree or below level.

7. YPTP provides a wide range of modular training on leadership, job-search and interpersonal skills, computer application and job-specific skills, while YWETS offers job placements with on-the-job training of six

to 12 months' duration with a view to enhancing the employability of young people, facilitating their smooth transition to employment and achieving further skills development. The effectiveness of the two youth programmes has been repeatedly affirmed by feedbacks of stakeholders and evaluation results of independent consultancy studies. Over the years, YPTP has trained over 90 000 young people (other than those pursuing further studies, 70% of trainees successfully found jobs upon completion of training) and YWETS assisted 62 200 in securing employment.

8. To proactively assist young people in navigating their career journey, LD has further enhanced and integrated YPTP and YWETS into a "through-train" programme - YPTP • YWETS - to provide seamless and comprehensive youth training and employment support with effect from the 2009/10 Programme Year commencing in September 2009.

Youth Employment Start

9. The Youth Employment Start (Y.E.S.) provides one-stop and personalised advisory and support services on employment and self-employment to young people aged 15 to 29 with different backgrounds and development needs. Y.E.S. offers a wide range of services including career assessment, career guidance, provision of job search facilities and self-employment support as well as customised training and development programmes targeted at different groups of young people.