

For information on
20 May 2010

Legislative Council Panel on Manpower
Progress of Employment Support Initiatives
in response to the Financial Tsunami

Purpose

This paper briefs Members on the progress of employment support initiatives undertaken by the Labour Department (LD) in response to the financial tsunami.

Background

2. The financial tsunami that hit the globe in the second half of 2008 brought significant pressure to the local employment market. Facing the challenge, LD responded swiftly by launching a series of new and enhanced measures to provide employment support for job-seekers as announced by the Financial Secretary in his 2009-10 Budget Speech on 25 February 2009 and reported to this Panel on 19 March 2009 (LC Paper No. CB(2)1078/08-09(03)). Progress on these measures is provided below.

Enhancement and integration of various employment programmes

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

3. LD administers the Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) 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 level or below. The two programmes comprise diverse elements that cater for the different needs of young people with different interests and levels of educational attainment.

4. 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.

5. Under the revamped programme, trainees can enrol on a year-round basis and are entitled to a full range of coordinated and customised training and employment support services, including pre-employment training, one-month workplace attachment training, on-the-job training of six to 12 months, reimbursement of off-the-job course and examination fees up to \$4,000 per trainee, as well as case management services rendered by registered social workers.

6. Since it started to receive applications on 14 August 2009, the revamped Programme received over 13 400 applications up to the end of April 2010, representing 6.6% over the corresponding period the year before.

Employment assistance to the middle-aged and people with disabilities

7. The middle-aged and people with disabilities (PWDs) are amongst the most vulnerable groups of job-seekers during times of economic downturn. To strengthen the comprehensive and timely employment assistance and support to them, LD enhanced the Employment Programme for the Middle-aged (EPM) and the Work Orientation and Placement Scheme (WOPS) from 29 June 2009.

8. To further encourage employers to engage middle-aged job-seekers aged 40 or above and offer them on-the-job training, EPM has been strengthened by relaxing the eligibility criteria of job-seekers, increasing the training allowance payable to participating employers from \$1,500 to \$2,000 per employee per month and extending the subsidy period for deserving cases from three months to a maximum of six months.

9. Similarly, WOPS has been enhanced to encourage employers to offer job vacancies for PWDs through trial placement. The financial incentive for eligible employers has been increased to two-thirds of the actual wages paid to the disabled employee during the work trial period, subject to a ceiling of \$4,000 per month. The subsidy period has been extended up to a maximum of six months for deserving cases.

10. During the ten months since the implementation of the enhanced measures on 29 June 2009 and up to end of April 2010, 3 588 placements were secured under the enhanced EPM and 310 PWDs were placed into employment under the enhanced WOPS. The average number of job-seekers placed into employment each month under these two enhanced programmes both registered an increase of 23% as compared with the first half of 2009, i.e. before the implementation of the strengthened measures.

Employment assistance to employees made redundant during the financial crisis

11. LD adopts a proactive approach in providing employment assistance to those made redundant during the financial crisis. In major closure or redundancy cases, we set up hotline for enquiries and special counters at Job Centres to provide them with priority job referral and job matching services. Where circumstances warrant, we would approach affected employees proactively to introduce LD's employment services and answer their enquiries.

12. LD also appeals to employers to provide suitable vacancies and informs affected employees of such vacancies to facilitate their job search. We provide them with intensive and customised placement support and refer them to the Employees Retraining Board for retraining services where appropriate. Under LD's Interactive Employment Service website, we set up a dedicated webpage to display vacancies offered by employers interested in recruiting job-seekers who lost their jobs in recent closure or redundancy exercises. During the past 12 months (i.e. from May 2009 to April 2010), a total of 2 091 employees affected by redundancy or business closure were offered priority placement services at LD's special counters and other employment support services.

13. To respond speedily to the recruitment needs of employers and offer more convenient services to job-seekers, LD has put in extra efforts in organising more large-scale job fairs in shopping malls and community halls at various locations across the territory. During the past 12 months, a total of 23 large-scale job fairs were organised, which was more than double the 11 job fairs held during the same period in the preceding year. These large-scale job fairs offered about 29 000 vacancies and attracted over 35 000 job seekers. In parallel, LD also organised a total of 250 mini-job fairs at LD's Job Centres in different districts to cater for the needs of employers and job seekers in the vicinity. These mini-job fairs attracted some 24 800 job seekers.

14. To further strengthen the dissemination of local vacancy information and to promote LD's employment services, we have since 2009 organised "Job Info Days" and other district-based employment promotional activities at various districts. During the past 12 months, LD organised 30 such events which attracted about 28 600 visitors.

Internship Programme for University Graduates

15. As a special time-limited initiative launched against the backdrop of the financial tsunami, LD introduced the Internship Programme for University

Graduates to encourage enterprises to offer local and Mainland internship and employment opportunities to recent university graduates, with a view to broadening their horizons, enriching their experience and fostering their career development.

16. Enrolment to the Programme commenced on 1 August 2009. By the end of April 2010, 1 658 graduates had secured employment in Hong Kong through the Programme. Their average monthly salary was \$8,800, the highest offer being \$22,000 (an architect trainee position). For Mainland internships, 239 graduates have so far taken up internships in different Mainland cities.

17. Taking into account the views of the participating tertiary institutions on the progress of their graduates in taking up employment as well as the increasing number of job openings in the market, the Programme has ceased accepting internship positions and applications from graduates as from 31 March 2010.

18. The Labour and Welfare Bureau and LD have visited and arranged exchange forums with interns in selected Mainland cities and Hong Kong. Interns' response to the Programme was very positive. They found the work experience gained and training received beneficial to their career development. Internships on the Mainland also provided valuable opportunities for graduates to understand the operations of Mainland enterprises and the development of the Mainland economy at first hand.

Latest employment situation

19. As the economy gradually recovers, employment conditions have improved since mid-2009, with the latest unemployment rate for the period of January to March 2010 edging down to 4.4%. In the first four months of 2010, LD posted 212 255 private sector vacancies, up 20.2% over the corresponding period in 2009 (176 543). LD will continue to adopt multi-pronged and proactive measures to promote labour market efficiency and operate special employment programmes to provide targeted support to needy job seekers, with a view to assisting them find jobs as efficiently and as early as possible.