

A. Introduction

The Audit Commission ("Audit") conducted a review of the employment services provided by the Labour Department ("LD"), including matters relating to the general employment services for all job seekers and dedicated employment services for job seekers with special needs, i.e. young job seekers, elderly and middle-aged job seekers, ethnic minority ("EM") job seekers and job seekers with disabilities.

Background

2. LD provides general employment and recruitment services to job seekers and employers through 13 job centres, three industry-based recruitment centres, namely the Recruitment Centre for the Catering Industry ("RCCI"), the Recruitment Centre for the Retail Industry ("RCRI") and the Construction Industry Recruitment Centre ("CIRC"), a Telephone Employment Service Centre, a Job Vacancy Processing Centre, and an Interactive Employment Service ("iES") website and an iES mobile application ("mobile app"). LD also provides dedicated employment services for job seekers with special needs to promote their employment, including young job seekers, elderly and middle-aged job seekers, EM job seekers and job seekers with disabilities.

3. As at 31 December 2018, the number of LD staff providing employment services was 443 (comprising 422 civil service staff and 21 non-civil service contract staff). In 2017-2018, the total expenditure for providing employment services was \$365.7 million. There are four divisions under LD which provide employment services, namely, Employment Information and Promotion Division, Selective Placement Division ("SPD"), Employment Services Division and Youth Employment Division. Information on these four divisions was provided by **Mr Carlson CHAN Ka-shun, Commissioner for Labour** in his letter dated 15 May 2019 (*Appendix 7*).

4. The Committee held one public hearing on 18 May 2019 to receive evidence on the findings and observations of the Director of Audit's Report ("Audit Report").

The Committee's Report

5. The Committee's Report sets out the evidence gathered from witnesses. The Report is divided into the following parts:

Employment services provided by the Labour Department

- Introduction (Part A) (paragraphs 1 to 7);
- General employment services for all job seekers (Part B) (paragraphs 8 to 22);
- Employment services for young job seekers (Part C) (paragraphs 23 to 32);
- Employment services for elderly and middle-aged job seekers (Part D) (paragraphs 33 to 37);
- Employment services for ethnic minority job seekers (Part E) (paragraphs 38 to 46);
- Employment services for job seekers with disabilities (Part F) (paragraphs 47 to 56); and
- Conclusions and recommendations (Part G) (paragraphs 57 to 59).

Speech by Director of Audit

6. **Mr John CHU Nai-cheung, Director of Audit**, gave a brief account of the Audit Report at the beginning of the Committee's public hearing held on 18 May 2019. The full text of his speech is in *Appendix 8*.

Opening statement by Secretary for Labour and Welfare

7. **Dr LAW Chi-kwong, Secretary for Labour and Welfare**, has submitted an opening statement for the Committee's public hearing held on 18 May 2019, the summary of which is as follows:

- Hong Kong's unemployment rate had been on a decreasing trend in recent years and stood at 2.8% since 2018. Amidst the significant tightening of labour market, many employers were facing problems of insufficient manpower and recruitment difficulties. Job centres in various districts organized a large number of district-based and thematic job fairs to facilitate job seekers in their locality to meet with employers and attend on-the-spot interviews in the centres;

Employment services provided by the Labour Department

- LD would continue to enhance the design and functionality of iES website and its mobile app to improve user experience and expedite job seekers' search for suitable vacancies and access to the required employment information;
- LD implemented a wide range of initiatives targeting the particular employment needs of young people, elderly persons, EMs and persons with disabilities; and
- LD reviewed its operation from time to time and initiated adjustments or enhancements in a timely manner. It would, in view of the latest labour market situation, explore measures for furtherance of Audit's recommendations to better serve the needs of job seekers and employers.

The full text of Secretary for Labour and Welfare's opening statement is in *Appendix 9*.

B. General employment services for all job seekers

8. With reference to Figure 1 in paragraph 2.8 of the Audit Report, the Committee asked about the reasons for the substantial drop in the number of LD's registered job seekers (from 99 812 to 49 233) compared to the slight decrease in the number of unemployed persons (from 124 300 to 123 400) from 2012 to 2017, and whether LD had reviewed the appropriateness of still using the number of registered job seekers as a key performance indicator of LD's employment services, given that more and more job seekers using LD's services chose not to register with LD.

9. **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- owing to the prevailing buoyant economy and further tightening of the labour market, the overall unemployed persons in Hong Kong and the number of job seekers registered in LD had dropped accordingly. As the vast majority of vacancies advertised through LD at present provided employers' contact details, job seekers might make use of the job vacancy information disseminated by LD through various channels to submit job application to employers directly without registering with

Employment services provided by the Labour Department

LD beforehand. This further reduced the number of job seekers registered with LD;

- LD considered that the arrangement of allowing employers to choose to open up their contact details for job seekers' direct application and not requiring job seekers to register with LD before browsing the vacancy information not only could enhance the efficiency in disseminating job vacancy and labour market information, but also was more user-friendly for both job seekers and employers; and
- to encourage job seekers to register with LD for employment services, an internal working group was formed in 2018, with its report completed in January 2019. The working group recommended strengthening the online application function available on the iES website to attract more job seekers to register, thereby better reflecting job seekers' actual usage of LD's employment services. LD was in the process of implementing the relevant recommendations.

10. In view of the low unemployment rate and continuous decrease in the number of LD's registered job seekers in recent years, the Committee asked if LD had any plan to review its manpower deployment and expenditure.

11. **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- in the past five years, through internal deployment of resources, LD had introduced various new initiatives and enhancement measures, including implementation of the Employment Services Ambassador Programme for EMs, launching various pilot employment projects under the Youth Employment and Training Programme ("YETP"),¹ extending the Employment Programme for the Middle-aged ("EPM") to cover part-time jobs, providing emotional and psychological counselling service for job seekers with disabilities, engaging employment assistants proficient in EM languages to provide employment services, implementation of "Career Kick-start", etc.; and

¹ YETP is aimed at providing a comprehensive platform of job search with one-stop and diversified pre-employment training and on-the-job training opportunities for young people aged 15 to 24 with educational attainment at sub-degree level or below.

Employment services provided by the Labour Department

- having regard to changes in the economic and labour market situation, LD would continue to review and implement employment and recruitment services that would meet the needs of job seekers and employers, and ensure the cost-effectiveness of those services.

12. With reference to paragraphs 2.12 to 2.14 of the Audit Report, the Committee sought information on direct placements through LD's referrals and indirect placements, and how LD assessed the cost-effectiveness of each of these channels.

13. **Commissioner for Labour** replied in his letter dated 3 June 2019 (*Appendix 10*) that:

- in conducting job referrals for job seekers and assisting them to get employed, LD provided a wide range of services during the whole process. As the situation of each job referral and placement differed, LD did not keep the statistics on different services provided and the time spent on each case; and
- job seekers might apply for the jobs either through LD's referral service or by direct application to the vast majority of employers using the recruitment services of LD. To assess the number of placements made through job seekers' direct application to employers who advertised vacancies via LD, LD conducted periodic sample surveys with employers and included the relevant statistical figures in the Controlling Officer's Report. There were no indirect placement figures under LD's dedicated employment services for job seekers with special needs.

14. Noting that a continuous drop in the number of visitors to the 13 job centres (decreased by 18% from 381 762 to 312 412) and CIRC (decreased by 12% from 18 181 to 16 067) from 2016 to 2018 in Table 5 in paragraph 2.15 of the Audit Report might indicate changes in the needs of job seekers, the Committee sought more information on each of the 13 job centres and three recruitment centres and whether LD had reviewed the effectiveness of operating and the need to maintain them.

Employment services provided by the Labour Department

15. **Commissioner for Labour** provided information regarding the respective size, rental cost (if any), number of staff, visitors, details of job fairs held for each job centre and recruitment centre from 2016 to 2018 in his letter dated 3 June 2019 (*Appendix 10*). **Secretary for Labour and Welfare** and **Commissioner for Labour** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- for general employment services provided by LD (including the job centres and recruitment centres), the number of able-bodied job seekers registered and the number of placements had been used as performance indicators in the Controlling Officer's Report of LD;
- while the pattern of using LD's employment services might vary among job seekers in different districts, LD considered it necessary to maintain these 13 job centres so as to provide convenient employment services and support to job seekers in respective districts, in particular those with special employment needs and those who did not use LD's online employment services;
- given the application of technology and tight labour market situation, job centres had transformed from solely providing employment information and referral service to job seekers in the past by extending to the following services: (a) providing employment advisory service to job seekers with special needs; (b) organizing employment briefings for job seekers; (c) organizing district-based job fairs; (d) providing employer-based job placement service; (e) organizing experience sharing sessions for employers; and (f) establishing network with employers in the district;
- LD had all along been collecting job seekers' views on its employment services through various channels, including distributing customer feedback forms and placing collection boxes in job centres, organizing annual "Best Customers Service Office Contest" among job centres, etc. so as to motivate job centres for continuous enhancement of service quality. LD would continue to, having regard to changes in the labour market, implement improvement measures to meet the needs of both job seekers and employers;
- LD constantly reviewed the effectiveness of the three recruitment centres' services through monitoring the usage of and response to the recruitment activities, etc. LD also kept in view changes in the economic and employment market, and listened to the views of the

Employment services provided by the Labour Department

industries and service users, so as to continuously improve and enhance the services of the recruitment centres to meet the needs of job seekers and employers; and

- in view of the drop in number of job seekers attending job fairs at RCCI and RCRI, LD reviewed the performance of these two recruitment centres in April 2018. In the review, LD had mapped out strategies targeting different stakeholders to tackle the situation in the light of the tight labour market. In the second half of 2018, LD implemented the relevant measures, including adopting a merit point system in selecting employers to participate in job fairs, allocating special interview time slots for trainees of training bodies and non-governmental organizations ("NGOs"), and stepping up publicity targeting different types of job seekers.

16. According to Table 7 in paragraph 2.27 of the Audit Report, there were a large number of job vacancies available in the catering, retail and construction industries but the average numbers of interviews arranged and placements secured in the job fairs organized by RCCI, RCRI and CIRC were relatively small. The Committee hence sought the reasons for the small number of interviews and placements and LD's measures taken/to be taken to assist the employers in these three industries.

17. **Secretary for Labour and Welfare and Mr Charles HUI Pak-kwan, Assistant Commissioner for Labour (Employment Services)** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- due to their relatively unattractive employment terms and working conditions for the catering and retail industries and the relatively unpleasant working environment of the construction industry, employers from these three industries always faced recruitment difficulties. The situation was worsened in a tight labour market when various industries were scrambling for labour, inevitably affecting the performance of the recruitment service;
- the recruitment service provided for the industries concerned by the three recruitment centres was only one of the numerous recruitment channels used by employers in these industries. In 2018, the three recruitment centres arranged a total of over 18 000 on-the-spot

Employment services provided by the Labour Department

interviews for job seekers and employers participating in the centres' job fairs. Judging from the active participation of employers in the recruitment activities, joining job fairs held in the recruitment centres was still an effective way of recruiting staff; and

- measures targeting employers and job seekers in each of these three industries respectively had been undertaken by the respective recruitment centre to enhance the effectiveness of job fairs and achieve more placements. For employers, the recruitment centres provided them with the latest market information and encouraged them to improve their employment terms to match up with the market situation, thereby increasing the attractiveness of the vacancies and improving the placement rates of job fairs. The recruitment centres also encouraged employers to recruit persons with special employment needs, such as EMs, elderly and middle-aged job seekers, etc. to attain more placements. For job seekers, the recruitment centres actively contacted training bodies/trade unions and encouraged them to refer trainees who had completed relevant training to participate in job fairs of the recruitment centres.

18. Given the substantial decrease in the number of LD's registered job seekers, the Committee enquired whether LD had redeployed its staff in RCCI, RCRI and CIRC and initiated new services accordingly.

19. **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that despite the decreasing number of registered job seekers with LD, employers were still keen on LD's recruitment service in the time of buoyant employment market. For example, the waiting time of employers in the catering and retail industries to participate in job fairs held in the recruitment centres remained at three to six months, and LD had not reduced the number of these job fairs. Hence, sufficient manpower was required to cope with the recruitment needs of employers.

20. In reply to the Committee's enquiry about the Administration's short, medium and long term plans to address the labour shortage issue in various industries in Hong Kong, **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

Employment services provided by the Labour Department

- LD met the recruitment needs of various industries through organizing large-scale, district-based and thematic job fairs, etc.;
- the Administration operated various schemes for employers to apply for importation of labour on account of their actual operational circumstances so as to supplement skills not readily available in the local labour market and sustain the competitiveness and development needs of Hong Kong. Depending on the skill levels and/or educational requirements of the job vacancies concerned, employers might apply to the Immigration Department for admission of professionals or to LD for importation of workers at technician level or below under the Supplementary Labour Scheme; and
- relevant government bureaux and departments would closely monitor the manpower demand and supply of different sectors, as well as enhance training and attract new recruits. On the premise of safeguarding the employment priority of local workers, the Administration would explore with stakeholders the possibility of increasing imported labour on an appropriate and limited scale.

21. With reference to paragraph 2.33 of the Audit Report, the Committee asked whether LD had reviewed the reasons for the substantial decrease in the number of visits (a decrease of 40% from 20 million to 12 million) and page views (a decrease of 29% from 283 million to 202 million) of the iES website from 2014 to 2018, LD's measures taken/to be taken to attract job seekers to access the website, and whether LD had reviewed other job portals and mobile apps in the market and tried to fill up the service gap.

22. **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- LD considered that the drop in the visits/page views of the iES website in the past few years was mainly attributed to the continuous upsurge in the penetration rate of smartphones and mobile devices in Hong Kong, causing more job seekers to switch to the iES mobile app; and more efficient dissemination of information by LD on the web (such as use of push notifications to deliver personalized messages to users), coupled with the generally tight labour market and a decline in the number of unemployed persons;

- LD would strengthen the dissemination of job vacancy information on the iES website and continue to enhance the design and functionality of the website so as to provide employment information and online employment services more effectively and with better user experience; and
- unlike other private job portals and mobile apps, which operated for commercial purposes, the iES website and its mobile app aimed to provide free and comprehensive employment information and online employment services for job seekers in need. For instance, the website had set up dedicated webpages for groups with special employment difficulties to provide them with tailored employment information and feature job vacancies particularly suitable for the respective groups.

C. Employment services for young job seekers

23. Referring to Table 11 in paragraph 3.10 of the Audit Report, the Committee sought explanation of the sudden drop in the number of target young people² (from 20 000 to 16 200) from 2016 to 2017 and the reasons for a decrease in the number and proportion of target young people joining YETP (from 8 095 (36.8%) to 4 694 (29%)) from the programme years 2012-2013 to 2017-2018.

24. **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letters dated 15 May and 3 June 2019 (*Appendices 7 and 10* respectively) that a higher unemployment rate for young people than the overall working force was common all over the world. The unemployment rate for young people in Hong Kong in 2017 was 8.5%. There was a continuous decline in the number of young persons aged 15 to 24 from 2012 to 2017 and in 2017, the year-on-year decrease was 3.6%. Concurrently, the number of unemployed young persons aged 15 to 24 plummeted by 17.4%. The decreases were record high for both figures. With a shrinking youth labour force and an overall unemployment rate staying at a low level in recent years, there were more job opportunities and young people could secure employment on their own more easily. Economic factors aside, increased education and training channels for secondary school leavers also affected the demand for YETP across the years.

² According to LD, target young people refer to unemployed young people aged 15 to 24 with educational attainment at sub-degree level or below.

25. The Committee noted from Table 7 in paragraph 2.27 of the Audit Report that there were more than 170 000 job vacancies available in the job fairs organized by the recruitment centres for the catering, retail and construction industries in 2018, but the unemployment rates of young people remained high as shown in Table 11 in paragraph 3.10 of the Audit Report. The Committee enquired whether LD had studied why the young people were not attracted to jobs in these industries, and what measures would LD take to promote the job vacancies to young people.

26. **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that according to LD's experience, young people were keen to look for jobs best suited their interests and abilities, while some were more attracted to the work environment and nature of white-collar jobs or opportunities in the commercial sector. LD would, through YETP, continue to assist young people to gain a comprehensive understanding of the labour market, keep their options open to a wider range of jobs and pursue their career goals in accordance with their aspirations and abilities. In close collaboration with service providers, a variety of thematic job fairs and employment projects would be arranged via RCCI, RCRI and CIRC to promote the relevant job vacancies to young people.

27. With reference to the YETP pre-employment training ("PET") courses in paragraphs 3.14 and 3.15 of the Audit Report, the Committee sought the reasons for the low enrolment rates of certain training courses, and information on measures taken/to be taken to address the high cancellation rates of core courses³ and/or elective and tailor-made courses.

28. **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- the enrolment rates of some less popular courses were low as there was a drop in the number of young people joining YETP. Nevertheless, LD would continue to offer sufficient number and variety of training courses, including those types of low patronage, to meet the interests

³ Trainees aged 15 to 19 who join YETP for the first time must attend a 48-hour core course "Job Search and Interpersonal Skills Training". Trainees aged 20 to 24 or those who have participated in YETP before may also enrol on this course on case managers' recommendation.

Employment services provided by the Labour Department

and needs of YETP trainees and to cater for any possible upsurge in demand for courses due to unexpected downturn of economy;

- to encourage more young people to participate in PET under YETP, LD raised the training allowance payable to trainees from \$50 to \$70 per training day with effect from September 2017. Starting from September 2018, LD allowed young trainees aged 15 to 19 to enrol on two elective courses before attending the core course both to boost enrolment and expedite the training process. With built-in flexibility in the existing contract provisions, service providers of the training courses might conduct half-day courses, schedule courses on Saturdays and Sundays, adjust the training time and the number of training days so as to increase enrolment. Regular meetings were also held with service providers for exchange on course arrangements and measures to enhance course attractiveness; and
- to further tackle the high class cancellation rate, LD proposed to revise the tender provisions under the new PET tender in September 2018 to allow the training bodies more flexibility in adjusting downwards the number of trainees required for commencement of classes so that more training classes might be held successfully. The proposal would be implemented under the new contract commencing in September 2019. Moreover, training bodies would be given more flexibility in hiring suitable trainers thereby offering more variety of classes for trainees' choices. LD had also revised the content, module and training hours of different course types to cater for the needs of the youths and the rapid changing labour market.

29. In reply to the Committee's enquiry about whether any costs had to be borne by the Administration for the cancelled training courses under YETP and the basis for determining the amount of subsidies granted to the training bodies, **Secretary for Labour and Welfare** and **Assistant Commissioner for Labour (Employment Services)** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that as per the service contracts for provision of PET for YETP trainees between LD and the service providers, LD only needed to pay service fees for successfully held courses. The amount payable was normally determined by the service fee per trainee submitted by the service providers in their tenders and attendance of the training class, subject to the relevant contract terms and conditions of different training courses.

30. Referring to Table 15 in paragraph 3.22 of the Audit Report, the Committee enquired about the reasons for the high premature termination rate of on-the-job training ("OJT")⁴ (ranging from 36% to 68%) under YETP in the programme year 2016-2017, especially for those with contract duration of nine months (135 (68%) out of 198 cases).

31. **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- among the 1 031 OJT cases of the programme year 2016-2017 with premature termination, the numbers of resignation and dismissal cases were respectively 895 (87%) and 136 (13%). The underlining reasons for trainees resigning were multi-faceted, including unsuitable job nature, having found other jobs, looking for a change in work environment and further studies, while dismissals were mainly related to trainees' work performance and attitude; and
- posts with 9-month OJT mainly covered tour coordinators/ticketing clerks, property management workers and merchandisers. In the programme year 2016-2017, as the number of such cases (198) was much smaller than those of 6-month (544) and 12-month (1 860), its smaller base was prone to higher fluctuations in termination rate. The buoyant labour market and high turnover rate of the relevant industries also contributed to more premature termination cases for this category.

32. In response to the Committee's enquiry about the findings of the evaluations conducted by LD with the training bodies/employers and trainees on the contents and arrangements of the PET and OJT and measures to enhance the programme, **Assistant Commissioner for Labour (Employment Services)** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

⁴ Trainees are engaged as employees under full-time or part-time OJT of 6 to 12 months with salary. Employers who engage trainees as paid employees in full-time or part-time OJT may apply for a monthly OJT allowance, the amount of which is 50% of the monthly salary of a trainee during the training period, up to a maximum amount of \$4,000 per month per trainee. During OJT period, a trainee may enrol on relevant vocational courses and apply for reimbursement of course and examination fees up to \$4,000 from YETP.

Employment services provided by the Labour Department

- according to the course evaluation surveys for trainees conducted on different PET course types for the programme year 2017-2018, the overall satisfaction score for the courses was 4.1 (out of full mark of 5) on average. Service providers were informed of the results of the survey to facilitate their arranging courses of better quality, and their respective scores would be taken into account by LD for assessment of their future tenders for PET courses; and
- according to the latest half-yearly survey on trainees completing OJT and their employers conducted in March 2019, over 95% of the employers considered that OJT could enhance competitiveness of trainees and over 80% of the trainees found OJT useful in nurturing good work habits, acquiring the relevant work skills and knowledge, developing inter-personal relationships as well as building up self-confidence.

D. Employment services for elderly and middle-aged job seekers

33. With reference to Table 18 in paragraph 3.46 and Table 19 in paragraph 3.49 of the Audit Report, the Committee asked about the reasons for the low percentage of eligible placements with preliminary applications for the Employment Programme for the Elderly and Middle-aged ("EPEM")⁵ and the small number of placements with OJT allowance granted.

34. **Secretary for Labour and Welfare** and **Assistant Commissioner for Labour (Employment Services)** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that LD actively invited the employers of each eligible placement case to apply for the OJT allowance under EPEM. However, some employers did not apply for the OJT allowance due to various reasons, such as choosing to absorb the training costs by their own resources or the employees leaving employment within a short period. Since these employers actually had already employed the elderly or middle-aged job seekers, whether they applied for the OJT allowance would be of secondary importance.

⁵ The Re-employment Training Programme for the Middle-aged was launched in May 2003 and was renamed EPM in early 2006. With effect from 1 September 2018, EPM had been renamed EPEM to reflect the new initiative of EPM on encouraging employment of elderly persons. EPEM is aimed at encouraging employers to engage unemployed job seekers aged 40 or above and provide them with OJT of 3 to 12 months through the provision of training allowance of up to \$4,000 per month per employee to the employers.

Employment services provided by the Labour Department

35. In reply to the Committee's enquiry on the enhancement measures under EPEM since September 2018, **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- under the enhancement measures of EPEM, employers engaging job seekers aged 60 or above who were unemployed or had left the workforce in a full-time or part-time job were offered a monthly OJT allowance up to \$4,000 per employee for a period of 6 to 12 months; and
- LD issued a total of 438 approvals-in-principle for those OJT allowance applications received from September 2018 to March 2019 (increased by 64% as compared to the figure in the same period a year before), involving 111 cases with job seekers aged 60 or above (increased by 200% as compared to the figure in the same period a year before).

36. The Committee was concerned about the decrease in the retention rates for six months or above for placements under EPEM with OJT allowance granted (from 77.7% for the period from April to September 2015 to 61.8% for the period from April to September 2017) as stated in paragraph 3.56 of the Audit Report. The Committee sought the reasons for the decrease and information on improvement measures taken to improve the situation.

37. **Commissioner for Labour** replied in his letter dated 3 June 2019 (*Appendix 10*) that:

- the continuous low unemployment rate with abundant job openings in the labour market fueled the increase in turnover rate of staff, including the elderly and middle-aged. The purpose of EPEM was to encourage employers to hire elderly and middle-aged job seekers and provide them with OJT. Despite that some employees failed to complete OJT fully, their employability had already been enhanced through the work experience and skills acquired during OJT; and
- with a view to assisting the elderly and middle-aged persons to complete OJT under EPEM and stay in employment, LD had been proactively and regularly following up with participating employers and employees to understand the latter's work and OJT situation. LD

would give timely support and counseling to the employees in need, as well as following up with their employers or suggesting improvement arrangements as situations warranted.

E. Employment services for ethnic minority job seekers

38. According to paragraph 3.64(h) of the Audit Report, two employment assistants proficient in EM languages were engaged by LD as a pilot project. The Committee enquired about the training provided to them and whether LD had reviewed the effectiveness of these employment assistants in helping EM job seekers.

39. **Commissioner for Labour** said at the public hearing and supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- the pilot initiative of engaging employment assistants for EMs had been implemented since May 2017 and would last for three years. A series of training had been arranged, including enrolling them to Chinese speaking, reading and writing courses and appointing experienced staff as mentors to provide them with comprehensive OJT; and
- since job seekers who were placed into employment through direct application were not required to report their employment status to LD, LD did not have figures on the number of services provided or the number of placements secured for job seekers by or through the assistance of the employment assistants for EMs. Nevertheless, LD would evaluate the effectiveness of this pilot initiative and consider the way forward in the third year of its implementation.

40. In response to the Committee's enquiry about LD's efforts in promoting its dedicated employment services to EM job seekers, **Commissioner for Labour** replied in his letter dated 3 June 2019 (*Appendix 10*) that:

- in 2018, a total of 1 173 EMs registered with LD for employment services. Among them, 898 (76.6%) were South Asians who only accounted for about 32% of the EM population in Hong Kong (excluding foreign domestic helpers) in 2016. Since South Asians were generally believed to be more prone to encountering difficulties during their job search compared with other ethnic groups, LD would

Employment services provided by the Labour Department

continue to step up its publicity on LD's employment services to the South Asians; and

- job centres would continue to liaise with EM organizations, NGOs serving EMs, religious bodies, schools, etc. in their locality. Updated employment information on job fairs and schedules of employment briefings were disseminated to them regularly. These organizations were also encouraged to refer EMs with employment needs to LD for services. To acquaint more EM job seekers with LD's employment services, the relevant promotional leaflets were prepared in English and six EM languages (including Tagalog, Bahasa Indonesia, Thai, Hindi, Urdu and Nepali), and distributed through various channels.

41. The Committee sought details of the Administration's work to assist those EM job seekers with qualifications not recognized in Hong Kong or need retraining to acquire new skills.

42. **Secretary for Labour and Welfare** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- the Hong Kong Council for Accreditation of Academic and Vocational Qualifications provided assessment services for individuals on qualifications awarded by granting bodies outside Hong Kong, and offered a professional opinion on whether the totality of the educational qualifications of an individual met the standard of a particular level of qualification in Hong Kong. The qualifications assessment fee for general purpose was \$2,715. Persons with financial needs (including EMs) might apply for subsidy from the Community Care Fund for conducting qualifications assessment for general purpose; and
- to enhance the skills and employability of EMs, the Employees Retraining Board offered dedicated courses covering vocational training for 10 industry categories, and language training including workplace Cantonese, workplace Putonghua, workplace Chinese (reading and writing), English, etc. The Employees Retraining Board also offered dedicated training courses for EMs on generic skills such as the application of information technology, interpersonal skills and job search skills. Other support measures for EMs included identification of their training and employment needs through the focus

group on training, subsidy to training bodies for assisting EMs who could speak and comprehend Cantonese to attend courses for all eligible employees, as well as offering advice on employment and training by Outreaching Training Consultant, etc.

43. In response to the Committee's enquiry on LD's plan to improve the low percentage of placements to registered EM job seekers as stated in paragraph 3.66 of the Audit Report, **Secretary for Labour and Welfare** and **Assistant Commissioner for Labour (Employment Services)** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- there had been a steady increase in the number of placements secured for EM job seekers through LD's referral service from 2014 to 2018. To further strengthen the employment support, it had been announced in the 2018 Policy Address that LD would launch a pilot programme in conjunction with NGOs to provide employment services for EM job seekers through a case management approach so as to utilize NGOs' community network, expertise in case management and experiences in serving EMs; and
- the commissioned NGOs had to provide one-stop employment support services for EM job seekers through a case management approach so as to reduce their barriers to employment. In addition to canvassing vacancies suitable for EMs and rendering support in their job search, these NGOs would also provide post-placement follow-up services for EMs and their employers. LD was carefully considering the views of stakeholders and drawing up other details of the pilot programme (including the performance indicators), and would conduct the tender exercise as soon as possible. The pilot programme was expected to be launched in 2020, which would be on a three-year pilot initially.

44. In view of the low attendance of the employment briefings organized by job centres as stated in paragraph 3.71 of the Audit Report, the Committee asked whether LD would consider redeploying the relevant resources to other services provided to EM job seekers.

45. **Assistant Commissioner for Labour (Employment Services)** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that as EMs only formed a small part of the overall

population in Hong Kong, it would hamper the interest of persons in need if relevant employment briefings were cancelled because the number of participating EM job seekers was on the low side. LD would continue to provide employment services flexibly having regard to the needs of job seekers.

46. In reply to the Committee's enquiry on LD's work in promoting the employment of EMs to employers as mentioned in paragraphs 3.76 to 3.80 of the Audit Report, **Assistant Commissioner for Labour (Employment Services)** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- from 2016 to 2018, LD organized six large-scale inclusive job fairs and 36 district-based inclusive job fairs at which job seekers, including EMs, could submit job applications and attend interviews with employers on the spot. LD also organized experience sharing sessions for employers, during which NGOs serving EMs were invited to brief employers on the cultures of EMs and the skills to communicate with them to enhance their understanding in this regard; and
- since March 2015, LD added an optional field of "Ethnic minorities are welcome for the post" in its Vacancy Order Form for employers to fill in. From 2016 to 2018, a total of 15 158 employers who advertised vacancies via LD indicated that EM job seekers were welcome to apply for the posts.

F. Employment services for job seekers with disabilities

47. With reference to Table 32 in paragraph 3.94 of the Audit Report, the Committee sought the reasons for a decrease of 25.5% in direct placements but an increase of 52.3% in indirect placements for job seekers with disabilities from 2014 to 2018.

48. **Assistant Commissioner for Labour (Employment Services)** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that apart from seeking assistance from LD, job seekers suffering from mild disabilities and having good working capability and rising education level would make direct job applications to employers. SPD organized different employment seminars and provided them with employment counselling to enhance their understanding of the employment market and skills on job hunting.

Besides, in helping job seekers with disabilities find jobs, Employment Consultants of LD would provide them with personalized advices on job choice and interview techniques to enhance their employability. In view of the aforementioned trend in the labour market, the proportion of indirect placements by job seekers with disabilities in the total number of placements had increased.

49. With reference to paragraph 3.97 of the Audit Report, LD advised that "dissatisfied with job nature", "unable to perform job" and "dissatisfied with work environment" were the top three reasons for resignation of job seekers with disabilities from 2013 to 2017. The Committee asked how LD could help job seekers find jobs which would meet their expectations and support them to adapt to their new work environment.

50. **Secretary for Labour and Welfare** and **Assistant Commissioner for Labour (Employment Services)** said at the public hearing and **Commissioner for Labour** supplemented in his letter dated 3 June 2019 (*Appendix 10*) that:

- when job vacancies were received, Employment Consultants of LD would enquire with the employer on the job requirements and duties, work environment and relevant information in detail. Where necessary, they would visit the employers to have an in-depth understanding of the employers' business and work environment, and accompany persons with disabilities to attend job interview to assist both parties to arrange proper supporting facilities;
- to help employees with disabilities adapt to their new work, SPD had enhanced the post-placement services since 2015 by extending the follow-up period from three months to six months. During the follow-up period, Employment Consultants would maintain close contact with the employees with disabilities and keep track of their work progress to help them settle in their new jobs. Employment Consultants would also provide support services for employers to assist them to better understand the particular needs of their employees with disabilities and help both parties build up good working relationship. For cases with particular needs, Employment Consultants would continue to provide follow-up services to the parties if either of them required further assistance after completion of the six-month follow-up period; and

Employment services provided by the Labour Department

- SPD launched an emotional counselling scheme for persons with disabilities in September 2016 by engaging an NGO to offer professional psychological and emotional counselling to needy job seekers with disabilities by registered social workers. It served to alleviate the emotional problems of job seekers with disabilities arising from the state of their disabilities or personal or family matters, so as to help them concentrate on job search and settle in their new jobs.

51. According to paragraph 3.99 of the Audit Report, Commissioner for Labour had said that LD would make every endeavor to enhance the employment services for job seekers with disabilities in areas recommended by Audit. The Committee sought details of LD's plans and the relevant timetable.

52. **Commissioner for Labour** replied in his letter dated 3 June 2019 (*Appendix 10*) that:

- starting from the fourth quarter of 2019, LD would implement monitoring mechanism to track the employment status and progress of each job seeker with disabilities, and follow up with those employees employed under the Work Orientation and Placement Scheme ("WOPS") after completion of the allowance period, so as to assist them to stay in the same job and put their abilities to full use;
- starting from 2020, LD would report separately in the Controlling Officer's Report the number of placements secured by referral service of SPD and the number of placements secured by job seekers making job applications to employers direct subsequent to the assistance provided by SPD;
- starting from 2020, LD would announce the performance pledge statistics on the application processing time of WOPS on the Interactive Selective Placement Services website of SPD; and
- LD would continue monitoring the effectiveness of PET under WOPS and attracting more job seekers with disabilities to attend the training course by tailoring the training content to suit their training needs.

53. According to paragraph 3.87 of the Audit Report, LD set divisional targets on the number of registered job seekers with disabilities received and the number of

Employment services provided by the Labour Department

placements achieved in a year. The Committee sought the reasons for LD not setting similar targets each for young job seekers, elderly and middle-aged job seekers, and EM job seekers.

54. **Commissioner for Labour** replied in his letter dated 3 June 2019 (*Appendix 10*) that LD adopted a case management approach to provide intensive and personalized employment services to persons with disabilities, including accompanying the persons with disabilities in need to attend job interviews by Employment Consultants, accompanying them to report for duty on the first day of employment, and conducting post-placement follow-up visits, etc. As the aforementioned mode of service was very different from that provided to the able-bodied, it was inappropriate to make direct comparison between them. LD would set respective service targets having regard to the characteristics of clients and the service mode.

55. According to paragraph 3.88 and Table 30 in the paragraph of the Audit Report, the total number of registered job seekers with disabilities was 2 766 and the total number of placements for job seekers with disabilities was 2 219 in 2018. The Committee asked whether LD had studied any special reasons that contributed to the high percentage of placement rate (80%), and whether this could be used as a reference to help other job seeker groups with special needs.

56. **Commissioner for Labour** replied in his letter dated 3 June 2019 (*Appendix 10*) that the employment services required by job seekers with disabilities were different from those for the able-bodied or young job seekers. LD therefore adopted a case management approach to provide intensive and personalized employment services to persons with disabilities. Besides, the job preference and expectation of persons with disabilities were also different from those of the other groups of job seekers. For example, owing to health reason, some persons with disabilities could only attend work for a short time per day or a limited number of days in a week. They tended to be more willing to accept short-term and part-time jobs. Hence, the employment figures of persons with disabilities were not directly comparable to those of other groups of job seekers.

G. Conclusions and recommendations

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| Overall comments |
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57. The Committee:

- notes that:

- (a) the Labour Department ("LD") provides general employment and recruitment services to job seekers and employers. It also provides dedicated employment services for job seekers with special needs to enhance their employment opportunities, including young job seekers, elderly and middle-aged job seekers, ethnic minority ("EM") job seekers and job seekers with disabilities;
- (b) Hong Kong's unemployment rate has been on a decreasing trend since 2009 and the latest figure was 2.8%.⁶ The labour market was considered in a state of full employment; and
- (c) 443 LD staff were responsible for providing employment services as at 31 December 2018 and the total expenditure for providing such services in 2017-2018 was \$365.7 million;

- stresses that:

- (a) LD should constantly examine the modes of providing employment services to cater for the changing needs of job seekers;
- (b) LD plays an important role in providing dedicated employment services for job seekers with special needs; and
- (c) LD has a responsibility to ensure that its various employment services are delivered in a cost-effective and timely manner;

⁶ The seasonally adjusted unemployment rate from February to April 2019 as compiled by the Census and Statistics Department.

Employment services provided by the Labour Department

- expresses grave concern and finds it unacceptable that LD had not proactively reviewed the modes in delivering its employment services and their contents in response to the changing needs of job seekers in recent years as evidenced by the following trends revealed in the Director of Audit's Report ("Audit Report"):
 - (a) while the number of unemployed persons decreased by 3.6% from 128 000 in 2008 to 123 400 in 2017, the number of LD's registered job seekers decreased by 70.8% from 168 740 in 2008 to 49 233 in 2017. This suggested that the employment services provided by LD might not meet the needs of job seekers who chose not to register with LD, and yet LD was still using the number of registered job seekers as a key performance indicator of LD's employment services; and
 - (b) despite a continuous drop in the number of visitors to the 13 job centres (a decrease of 69 350 (18%) from 381 762 in 2016 to 312 412 in 2018) and the Construction Industry Recruitment Centre ("CIRC") (decreased by 2 114 (12%) from 18 181 in 2016 to 16 067 in 2018) from 2016 to 2018, LD still maintained the venues without significantly enhancing their facilities and services to meet the changing needs of job seekers;
- expresses grave concern and finds it unacceptable that some of the LD's programmes which targeted job seekers with special needs were losing their attractiveness, and that LD could not effectively assist these job seekers in securing jobs as evidenced by the following cases revealed in the Audit Report:
 - (a) while the unemployment rate of young people aged 15 to 24 stayed at a high level at 8.5% in 2017 and the number of target young people (i.e. unemployed young people aged 15 to 24 with educational attainment at sub-degree level or below) only decreased by 26% from 22 000 in 2012 to 16 200 in 2017, the number of trainees enrolled in the Youth Employment and Training Programme ("YETP")⁷ decreased by 42% from 8 095 in the programme year 2012-2013 to 4 694 in the programme year 2017-2018;

⁷ YETP is aimed at providing a comprehensive platform of job search with one-stop and diversified pre-employment training and on-the-job training opportunities for young people aged 15 to 24 with educational attainment at sub-degree level or below.

Employment services provided by the Labour Department

- (b) more than 50% of YETP's pre-employment training courses were cancelled in the programme years 2015-2016 to 2017-2018 due to insufficient enrolment, and 40% of them were core courses, the cancellation of which would affect the training progress of the trainees;
- (c) in the programme years 2013-2014 to 2017-2018, less than 50% of the YETP trainees were enrolled in on-the-job training ("OJT").⁸ Of the 2 602 OJTs arranged in the programme year 2016-2017, 1 031 (40%) were not completed (i.e. early termination);
- (d) the percentage of eligible placements with preliminary applications for the Employment Programme for the Elderly and Middle-aged ("EPEM")⁹ from 2014 to 2018 was low (ranging from 18% to 27.9%);
- (e) the number of placements for EM job seekers through LD's referrals was not high, ranging from 65 to 116 for the years 2014 to 2018, representing only 7% to 10% of the number of EM job seekers registered with LD;
- (f) the average number of placements for EM job seekers in each large-scale inclusive job fair and district-based job fair was not high (ranging from 2 to 11.5 for the former and 20 to 23 for the latter) from 2016 to 2018; and
- (g) from 2014 to 2018, the placement rates per registered job seeker with disabilities fell from 93% in 2014 to 80.2% in 2018, and only

⁸ Trainees are engaged as employees under full-time or part-time OJT of 6 to 12 months with salary. Employers who engage trainees as paid employees in full-time or part-time OJT may apply for a monthly OJT allowance, the amount of which is 50% of the monthly salary of a trainee during the training period, up to a maximum amount of \$4,000 per month per trainee. During OJT period, a trainee may enrol on relevant vocational courses and apply for reimbursement of course and examination fees up to \$4,000 from YETP.

⁹ The Re-employment Training Programme for the Middle-aged was launched in May 2003 and was renamed the Employment Programme for the Middle-aged ("EPM") in early 2006. With effect from 1 September 2018, EPM had been renamed EPEM to reflect the new initiative of EPM on encouraging employment of elderly persons. EPEM is aimed at encouraging employers to engage unemployed job seekers aged 40 or above and provide them with OJT of 3 to 12 months through the provision of training allowance of up to \$4,000 per month per employee to the employers.

Employment services provided by the Labour Department

about half of the registered job seekers with disabilities (i.e. 49.6% to 52.4%) had placements in a year;

- notes that in 2020, LD will launch a pilot programme in conjunction with non-governmental organizations to provide employment services for EM job seekers through a case management approach;
- expresses serious concern whether some of the employment services provided by LD could achieve cost effectiveness as evidenced by the following cases revealed in the Audit Report:
 - (a) the average number of interviews arranged in each district-based job fair was not high (i.e. 43 in 2016, 33 in 2017 and 26 in 2018), and the average number of placements secured in each job fair was only five in 2016, four in 2017 and three in 2018;
 - (b) there were a large number of job vacancies in the catering, retail and construction industries in 2018, but the average numbers of interviews arranged and placements secured in the job fairs organized by each of the industry-based recruitment centres for these industries were relatively small (average number of interviews arranged in each industry-based job fair for the Recruitment Centre for the Catering Industry ("RCCI"), the Recruitment Centre for the Retail Industry ("RCRI") and CIRC was 20, 34 and 27 respectively, and the average number of placements secured in each job fair for RCCI, RCRI and CIRC was three, eight and two respectively); and
 - (c) from 2016 to 2018, the number of EM job seekers attending the employment briefings was low, with an average number of attendees of 4.4 per briefing, ranging from 1 to 16; and
- urges LD to:
 - (a) conduct a comprehensive review on the various employment and recruitment services with a view to rationalizing these services provided to job seekers and employers to better meet their changing needs;
 - (b) step up efforts in assisting job seekers with special needs, with a view to helping them secure placements and staying in their placements for longer period of time;

Employment services provided by the Labour Department

- (c) review the effectiveness of YETP and EPEM in serving their objectives of promoting employment of young people and elderly and middle-aged job seekers respectively;
- (d) review the effectiveness of operating and the need to maintain the 13 job centres and three recruitment centres, and consider enhancing their functions and initiating new services to better cater for job seekers' changing needs;
- (e) review the effectiveness of the pilot programme to provide employment services for EM job seekers through a case management approach;
- (f) review the effectiveness of district-based job fairs and the industry-based job fairs in securing placements for job seekers;
- (g) review its manpower deployment and expenditure in view of the low unemployment rate and continuous decrease in the number of LD's registered job seekers, such as redeploying the resources to enhance its dedicated employment services for job seekers with special needs and/or assist those industries with recruitment difficulties;
- (h) review and if necessary revise the performance indicators of LD's various employment services to better measure their effectiveness; and
- (i) devise short, medium and long term plans to address the labour shortage issue in various industries in Hong Kong. There is strong view from a member requesting the Administration to expedite the importation of labour.

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| <p>Specific comments</p> |
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58. The Committee:

General employment services for all job seekers

- expresses grave concern and finds it unacceptable that:
 - (a) the total number of job referrals through LD decreased by 59 354 (45%) from 131 869 in 2014 to 72 515 in 2018 and the number of direct placements through LD's referrals decreased by 7 415 (48.8%) from 15 202 in 2014 to 7 787 in 2018;
 - (b) the number of visits to the Interactive Employment Service ("iES") website decreased by 8 million (40%) from 20 million in 2014 to 12 million in 2018, and the number of iES website page views decreased by 81 million (29%) from 283 million in 2014 to 202 million in 2018;
 - (c) while the number of access to iES mobile application slightly increased by one million (1%) from 144 million in 2014 to 145 million in 2018, there was some useful information provided on iES website which was not available on iES mobile application (e.g. job hunting briefcase which provided template for application letter and Curriculum Vitae, interview techniques, etc.); and
 - (d) while the number of indirect placements (i.e. placements made by direct applications to employers by job seekers without going through LD's referrals) accounted for a high percentage of total placements during the period from 2009 to 2018, ranging from 84% to 94%, LD only reported the total number of placements in the Controlling Officer's Report, without disclosing the details of direct and indirect placements;
- notes that Commissioner for Labour has agreed with the Audit Commission ("Audit")'s recommendations in paragraphs 2.21, 2.30, 2.36 and 2.44 of the Audit Report;

Employment services for young job seekers

- expresses grave concern and finds it unacceptable that:
 - (a) the number of members using Youth Employment Start ("Y.E.S.") services for 2018 was 14 889, representing only 51.3% of the target (i.e. about 29 000 per year) specified in the Y.E.S. Operation Manual;
 - (b) in reporting the actual performance in the Controlling Officer's Report, LD reported the number of times of Y.E.S. services provided instead of the number of young people receiving Y.E.S. services; and
 - (c) for 15% and 24% of the training activities organized in 2018 by the Mong Kok Centre and by the Kwai Fong Centre respectively, the operator failed to achieve the attendance rate of 80%;
- notes that Commissioner for Labour has agreed with Audit's recommendations in paragraphs 3.25 and 3.35 of the Audit Report;

Employment services for elderly and middle-aged job seekers

- expresses serious concern that:
 - (a) in the period from 2014 to 2018, the average number of eligible placements for EPEM was 2 660. However, for only an average of 565 (21.2% of 2 660) eligible placements, the employers had submitted preliminary applications for EPEM;
 - (b) in the period from 2013 to 2017, for 572 (22.2%) of the 2 581 placements with approval-in-principle for EPEM issued by LD, the employers concerned did not claim the OJT allowance. According to LD, the main reason was due to their failure to meet the requirements of EPEM;
 - (c) for 630 (24.4%) of the 2 581 placements with approval-in-principle under EPEM from 2013 to 2017, the employees could not complete the whole approved OJT period. The percentage of placements with completed OJTs decreased from 78.5% in 2013 to 71.2% in 2017;

Employment services provided by the Labour Department

- (d) the retention surveys on placements under EPEM with OJT allowance granted revealed that the retention rates for six months or above decreased from 77.7% for placements during the period from April to September 2015 to 61.8% for placements during the period from April to September 2017; and
 - (e) the number of "placements secured under EPEM" presented in LD's annual reports and the information provided to the Finance Committee of the Legislative Council was the number of placements eligible under EPEM. In fact, the actual number of placements for which employers joined EPEM (i.e. placements with approval-in-principle under EPEM) was much smaller than the number of placements eligible for EPEM;
- notes that Commissioner for Labour has agreed with Audit's recommendations in paragraph 3.61 of the Audit Report;

Employment services for ethnic minority job seekers

- expresses serious concern that from 2016 to 2018, the percentage of job vacancies posted by employers where the employers indicated that EMs were welcome for the posts was not high, ranging from 12% (in 2016) to 16% (in 2018);
- notes that Commissioner for Labour has agreed with Audit's recommendations in paragraphs 3.74 and 3.79 of the Audit Report;

Employment services for job seekers with disabilities

- expresses grave concern and finds it unacceptable that:
 - (a) from 2014 to 2018, the percentage of indirect placements for job seekers with disabilities increased from 20% in 2014 to 33.8% in 2018. However, LD did not separately report the number of direct and indirect placements in the Controlling Officer's Report;
 - (b) from 2013 to 2017, the percentage of job seekers with disabilities who remained in the jobs for three months or longer was less than 50%, ranging from 35.2% (in 2013) to 45.3% (in 2017). The percentage of job seekers with disabilities who remained in the jobs for less than one month was high, ranging from 38.9% (in 2017) to 52.7% (in 2013);

Employment services provided by the Labour Department

- (c) there were low retention rates for the Work Orientation and Placement Scheme ("WOPS")¹⁰ placements after the end of its allowance period (i.e. six months for basic WOPS and nine months for enhanced WOPS). In particular, the percentage of WOPS placements with the employees with disabilities still staying in employment were only 37.5%, 38.1% and 37.9% for 2015, 2016 and 2017 respectively; and
- (d) the number of participants in pre-employment training classes decreased by 41.5% from 183 in 2014 to 107 in 2018. The average number of participants per class also decreased by 38% from 10.8 in 2014 to 6.7 in 2018; and
- notes that Commissioner for Labour has agreed with Audit's recommendations in paragraphs 3.98 and 3.117 of the Audit Report.

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| Follow-up action |
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59. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by the Committee and Audit.

¹⁰ WOPS is aimed at encouraging employers to offer job vacancies and work orientation period to job seekers with disabilities through provision of financial incentive to enhance their understanding of the work abilities of job seekers with disabilities, thereby facilitating their open employment.