

ITEM FOR FINANCE COMMITTEE

HEAD 90 – LABOUR DEPARTMENT

Subhead 700 General other non-recurrent

Item 532 Youth Work Experience and Training Scheme

Members are invited to approve an increase in the approved commitment from \$400 million by \$300 million to \$700 million to continue with the Youth Work Experience and Training Scheme.

PROBLEM

We need to continue with our efforts to help young people find jobs in view of the relatively high unemployment rate for youths in a sluggish labour market.

PROPOSAL

2. We propose to earmark an additional \$300 million to extend the Youth Work Experience and Training Scheme (Scheme) so that further batches of trainees may be admitted into the Scheme beyond mid-2004.

JUSTIFICATION

3. With a commitment of \$400 million approved by Finance Committee (*vide* FCR(2002-03)7), the Labour Department (LD) launched the Scheme in July 2002 to provide employment and on-the-job training for young people who are particularly vulnerable in a sluggish labour market. The target is to cater for the needs of about 10 000 young people over a period of two years. The Scheme is time-limited in nature and operates on the basis of social partnership with the Government, employers and the social services sector joining hands to enhance the employability of young people during difficult times. The key components of the Scheme include –

/(a)

- (a) 40 hours of induction training on communication and interpersonal skills for trainees;
- (b) 50 hours of guidance and counselling services to trainees by case managers who are registered social workers;
- (c) employment with on-the-job training for six to 12 months provided by employers who have registered job vacancies under the Scheme;
- (d) for employment under (c) above, training subsidy payable to employers at the rate of \$2,000 per trainee per month; and
- (e) training allowance of \$4,000 payable to trainees who undertake vocational training courses on an off-the-job basis.

4. In view of the success of the Scheme in placing young people into employment, the favourable feedback on the Scheme, the persistent high unemployment rate among young people and the prevailing economic circumstances, we propose to earmark an additional \$300 million to continue with the Scheme. In other words, the LD will be allowed to spend up to \$700 million to help place young people into employment. Key features of the Scheme and the progress so far are set out in paragraphs 5 to 10 below.

Case Management Service

5. With additional funding, we will continue to appoint case managers to provide counselling and guidance services to trainees. So far, some 730 registered social workers from 48 Non-government Organisations (NGOs) have been so appointed. These case managers assist trainees to formulate career plans, look for suitable training opportunities, prepare for selection interviews, review their job search strategies, and adapt to the work environment after they are placed into employment. The extensive mobilisation of NGOs and social workers in helping and counselling the trainees is an important feature of the Scheme, which aims not only at enhancing the employability of the trainees but also at moulding their personalities.

Diversified Training Opportunities

6. In order to provide diversified training opportunities to young people, the LD has organised special employment projects tailor-made for various industries and occupations. These special projects include -

/(a)

- (a) “IT Seeds” training young people to provide IT teaching support, IT administrative support and IT technical support in schools;
- (b) School Activities and Administrative Assistant Project training young people to provide support and assistance in teaching activities;
- (c) “Airport Ambassadors” under which the trainees provide customer services to passengers at the Hong Kong International Airport;
- (d) a special employment project for the creative and arts performance industries;
- (e) “Travel Pioneers” to train young people in various aspects of tourism such as ticketing and escort services;
- (f) “Sports Instructor Trainees” in sports and recreation activities;
- (g) “Action S4” project to provide on-the-job training opportunities in NGOs for vulnerable youths; and
- (h) Youth Work Experience and Skills Enhancement Programme for the Manufacturing Industry preparing young people for entry into the manufacturing sector.

7. To cater for the divergent training needs of young people, we will launch more tailor-made employment projects. Special efforts will also be made to help those who are more vulnerable by launching tailor-made training programmes with emphasis on the nurturing of personal qualities.

Encouraging Placement Results

8. As at 31 January 2004, we have placed 11 352 trainees in training vacancies registered under the Scheme. In addition, another 7 758 trainees have been placed in jobs in the open employment market (i.e. not requiring the provision of training subsidy) with the assistance of their case managers. These have far exceeded the original target of placing 10 000 young people into employment by July 2004, when the Scheme is originally due to be completed.

/Effectiveness

Effectiveness of the Scheme

9. Independent consultants from the Centre for Social Policy Studies of the Hong Kong Polytechnic University conducted a mid-term review of the Scheme in 2003 and confirmed its effectiveness in enhancing the employability of young people. The consultants recommended an extension of the Scheme to benefit more young people.

10. The Commission on Youth highly commends the Scheme and considers it useful in promoting youth employment. Feedback from many of the employers and youths participating in the Scheme has been favourable.

FINANCIAL IMPLICATIONS

11. Based on actual experience in administering the Scheme, the additional funding of \$300 million is expected to benefit at least another 10 000 young people over a period of two years or so. The expenditure is for the provision of training subsidy for employers, induction training for trainees, provision of counseling and guidance services, and reimbursement of off-the-job training allowance to trainees. It also covers publicity and administrative expenses. A detailed cost breakdown is at the Enclosure.

Encl.

12. We expect the cash flow of the additional funding to spread over four years up to 2007-08, taking into account the maximum 12-month duration for those placements secured towards the end of the two-year period in mid-2006 and the consequential need for making payments in 2007-08, as follows –

(\$ million)				
2004-05	2005-06	2006-07	2007-08	Total
40	147	110	3	300

There may be changes in the projected cash flow for the total commitment of \$700 million, taking into account the progress of placements and the funding requirements in respect of individual trainees.

/BACKGROUND

BACKGROUND INFORMATION

13. In his 2004 Policy Address delivered on 7 January 2004, the Chief Executive announced that the Administration would extend the Scheme for two years to place 10 000 young people aged 15 to 24 into employment.

14. We briefed the Legislative Council Panel on Manpower on 12 February 2004 on the proposal and received Members' support.

Economic Development and Labour Bureau
February 2004

**Youth Work Experience and Training Scheme
Estimated Cost Breakdown**

Item	Amount (\$ million)
Induction training course on personal qualities and job-search skills	15
Counselling and guidance services by registered social workers	36
Training subsidy for on-the-job training of 6-12 months with the average being nine months	180
Off-the-job training allowance	20
Publicity and promotion	10
Administration and staffing	15
Training of mentors and case managers, review and evaluation, organization of special employment projects, and incidental expenses	15
Contingency	9
Total	300