

**For information  
18 February 2014**

**Legislative Council  
Panel on Manpower**

**Youth Employment**

**Introduction**

The Government provides comprehensive employment support and training services to young people to help them seek employment. This paper briefs Members on the relevant services.

**The Employment Situation of Young People**

2. Apart from the lack of working experience, other factors such as higher job mobility and more wait-and-search also contribute to a higher youth unemployment rate than the overall figure. This phenomenon is also common for many economies<sup>1</sup>. As for Hong Kong, the seasonally adjusted overall unemployment rate was 3.2% (provisional figure) in October – December 2013, while the unemployment rate for young people aged 15 to 24 declined to 8.8% (provisional figure) from 10.1% in the preceding three-month period (September – November 2013)<sup>2</sup> and the number of unemployed persons was about 28 500. In 2009, Hong Kong's economy was affected by the financial tsunami. At that time, the unemployment rate for young people aged 15 to 24 was 12.6% and the number of unemployed persons was about 43 500. As the economy gradually recovered, in tandem with increasing channels of education and employment for young people, improvements were recorded for the youth employment situation in recent years.

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<sup>1</sup> For example, the unemployment rate of young people aged 15 to 24 in the member states of the Organisation for Economic Co-operation and Development (OECD) was 16.3% in 2012, far exceeding the overall unemployment rate of 8.0%. Meanwhile, the corresponding figures in the European Union (EU) were 22.9% and 10.5% respectively. This shows that the higher youth unemployment rate is a common phenomenon elsewhere.

<sup>2</sup> The unemployment rate for young people aged 15 to 19 declined to 11.5% in October – December 2013 from 14.6% in the preceding three-month period and the number of unemployed persons was about 5 000. As for young people aged 20 to 24, the unemployment rate declined to 8.4% in October – December 2013 from 9.3% in the preceding three-month period and the number of unemployed persons was about 23 400.

## **Employment Support and Training Services Provided by the Government for Young People**

3. To promote youth employment, the Government provides employment support and training services on all fronts through the Labour Department (LD), the Vocational Training Council (VTC), the Employees Retraining Board (ERB), the Construction Industry Council (CIC)<sup>3</sup> and the Clothing Industry Training Authority (CLITA)<sup>4</sup>.

### Employment Support Services

#### *Youth Employment and Training Programme*

4. The Youth Employment and Training Programme (YETP) launched by LD provides one-stop pre-employment and on-the-job training for young school leavers aged 15 to 24 with educational attainment at sub-degree or below. YETP serves as an effective platform to facilitate co-operation among various sectors including the Government, training bodies and employers in promoting youth employment.

5. YETP offers a diversified range of services with no pre-set quota. Enrolment is on a year-round basis without any minimum academic requirements so as to allow participation of any young people who have aspirations to receive training or to seek employment. YETP provides the trainees with a series of free and customised training and employment support services. Since its implementation, YETP has attracted many young participants every year. For example, in 2012/13<sup>5</sup>, a total of 8 095 young people were enrolled. Background information of the trainees is provided in Appendix I.

6. YETP trainees may enrol in different types of courses on job search and interpersonal skills, discipline and motivation, computer application and introductory courses on job-specific skills with a view to enhancing their employability. YETP provides workplace attachment and on-the-job training opportunities. Trainees may

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<sup>3</sup> To cope with the demands of the construction industry, with the support of the Development Bureau (DEVB), CIC has enhanced the training for local construction personnel, and promotion and publicity activities to attract more people to join the industry, especially for young people. CIC provides practical training courses such as Basic Craft Courses and Construction Supervisor/Technician Programme, for young people having interest in joining the industry, to facilitate their employment and develop their career in the industry. CIC has launched the Enhanced Construction Manpower Training Scheme with enhanced training allowances to attract more new entrants for trades with projected labour shortage, acute ageing or recruitment difficulties. Since May 2011, DEVB has collaborated with CIC to launch the “Build Up Publicity Campaign” to uplift the image of the industry and attract more young people as the new blood for the industry.

<sup>4</sup> CLITA is a statutory body set up under the Industrial Training (Clothing Industry) Ordinance (Cap.318) to, inter alia, provide training courses for the clothing industry and assist in the placement of persons completing training courses. Currently, it operates two training centres to deliver full-time and part-time courses at the certificate/diploma level or above.

<sup>5</sup> YETP operates on a programme year basis, running from September each year to August of the following year.

undergo a one-month workplace attachment training to acquire working experience, develop interests and potential and explore employment opportunities. Trainees may also be engaged as employees under salaried on-the-job training of six to 12 months. Moreover, employers will appoint staff with relevant work experience to be mentors of the trainees and provide appropriate guidance. During the on-the-job training period, trainees may enrol in relevant off-the-job vocational training courses and apply to LD for reimbursement of course and examination fees of up to \$4,000.

7. In addition, professional social workers of the training bodies appointed by LD serve as case managers to provide trainees with personalised career guidance, job search assistance as well as post-employment support for a period of 12 months. Trainees who are undergoing on-the-job training or have secured employment may receive case management services for an additional 12 months, so as to help them settle in their jobs, overcome problems at workplaces, and formulate future development directions and plans.

8. To help young people secure sustainable employment opportunities, YETP closely collaborates with employers and training bodies to launch various special employment projects. In 2012/13, 61 special employment projects covering various sectors and trades were operated under YETP. For example, the Airport Ambassador Programme which provides training to young people on customer services for passengers in the Hong Kong International Airport, the Campus Series co-organised with schools in the realm of information technology, Project for Tradesman Trainees co-organised with VTC, tailor-made training-cum-employment projects custom-made for a particular establishment such as Aircraft Maintenance Craftsman Trainee Training Project, Ocean Park Theme Park Food & Beverage Services Trainee Programme, Barista Training Project, Engineer Assistant Training Project, and also Lantau Youth Ambassador Programme Training Project co-organised with regional employer association.

9. To further promote youth employment, YETP introduced several enhancement measures in 2013. To encourage employers to employ young people and provide them with on-the-job training, the training allowance payable to employers who engage young people in on-the-job training with a monthly salary of \$6,000 or above for six to 12 months has with effect from June 2013 been increased from \$2,000 to \$3,000<sup>6</sup> per month for each young person engaged. To encourage young people to participate in workplace attachment training, the allowance payable to the trainees who complete the one-month attachment has with effect from June 2013 been increased from \$2,000 to \$3,000. In addition, to encourage young people to participate in pre-employment training under YETP, the training allowance payable to the trainees who have an attendance rate of 80% or above in a training course has

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<sup>6</sup> The salary of the concerned post should meet the statutory minimum wage requirement and is not less than \$6,000 per month. Should the working hours of the post be shorter such that the monthly salary is less than \$6,000 per month, the on-the-job training allowance payable to the employer will remain at \$2,000 per month.

with effect from September 2013 been increased from \$30 to \$50 per training day.

10. Each year, LD conducts a trainee development survey with trainees who were enrolled in the programme and completed the 12 months' support services. The results of the surveys conducted for trainees of the past three years showed that more than 70% of the respective sampled trainees were in employment at the time of survey. Another 13% to 20% of the trainees would take up a job soon or further study or were undergoing training. In addition, since 2012/13, LD conducts a trainee opinion survey on on-the-job training with trainees who completed on-the-job training in that year. The results of the surveys showed that more than 80% of the trainees considered that on-the-job training had helped or greatly helped them in obtaining working experience and skills, nurturing good working habits and attitude as well as building up confidence. These demonstrate that the current operation mode of YETP could enhance the employability of young people and assist them to gain employment opportunities.

### ***Action S5***

11. LD has launched Action S5 since 2010 to strengthen assistance to young people aged 15 to 24 who have acute employment difficulties owing to barriers including low educational attainment, emotional / behavioural problems, learning difficulties, etc. Participating trainees are employed by non-governmental organisations (NGOs) and undergo 12 months' on-the-job training. NGOs will appoint mentors to provide personalised guidance to trainees, assist them in accommodating the working environment and implementing personal career plan. Through the first three Phases of Action S5, a total of 336 trainees were enrolled in on-the-job training. Phase Four is planned for launching in the first quarter of 2014.

12. For trainees engaged in Phase One and Phase Two of Action S5, about 60% completed the 12-month on-the-job training. The major reasons of dropping out during the training were having other employment opportunities or further study / attending training courses. LD conducted surveys to interview trainees who were engaged in Phase One and Phase Two of the project. 76% of them were engaged with a job or further study / training while others were seeking employment or still considering their career plans. Phase Three of Action S5 ended in end-2013 and LD will complete the aforesaid survey in the first quarter of 2014. In addition, to ensure sustainable career development of trainees and facilitate case managers' follow-up with trainees who are still in need of continued support, participating trainees will be asked to fill in a questionnaire upon completing or leaving the project. Among the completed questionnaires in Phase One and Phase Two of the project, over 90% of the trainees indicated that their overall performance had improved.

### ***Youth Employment Start***

13. LD has set up two youth employment resource centres entitled "Youth

Employment Start” (Y.E.S.) at Langham Place in Mongkok and Metroplaza in Kwai Fong to provide personalised service and full support ranging from employment planning to career development for young people aged 15 to 29. The target users include trainees of YETP, school leavers, young job-seekers, young people seeking alternative employment and self-employed youths.

14. To cater for the different needs of target users, Y.E.S. provides a wide range of services to assist young people to enhance their employability, access to the employment market information, formulate employment plans or business options such that they can secure a firm footing in the employment market for sustainable development. These services include a career assessment kit which helps young people better understand their various potential; provision of career guidance and professional counselling service, including personalised guidance on career and training; provision of a full range of facilities for job search such as computers and Internet services, etc; arranging recruitment days and inviting representatives from different trades to update young people on the latest market situation; organising customised training programmes for young people covering job search and related skills, work attitude and employment-focused skills training; and inviting professionals and celebrities to deliver talks and share their experience in overcoming difficulties in their career pursuit.

15. Y.E.S. works closely with the schools to prepare secondary students for the world of work. Through experience exchange and training, this programme assists young people to understand the actual working environment and cultivates positive work ethics and attitude. Career talks and workplace visits are arranged. Workplace preparation sessions are also organised to help young people understand their career interests and brush up their job interviewing skills. In 2013, Y.E.S. organised 208 schools talks / visits to Y.E.S centres for a total of 10 801 secondary students.

16. Furthermore, Y.E.S. regularly organises workshops as well as qualified legal and accounting advisory services relating to self-employment. Young entrepreneurs are invited to share their success stories of setting up businesses with young people, so as to equip them with self-employment and entrepreneurship skills. “Self-employment Experience Days” are also held to offer opportunities to young people with business aspiration to gain experience in setting up a business or self-employment. Business workstations, meeting rooms and design corners with professional design software / hardware in Y.E.S. centres are made available for use free of charge.

17. In 2013, the two Y.E.S. centres rendered services to a total of 74 850 young people.

## ***Career Get-Set-Go***

18. To assist fresh secondary school leavers to enter the employment market, LD launched a special programme entitled "Career Get-Set-Go" from May to August 2013 to help them grasp the latest employment information and devise a career plan. Y.E.S. launched various career advisory and employment support programmes. These included a comprehensive job search package, interactive dramas on appropriate interview skills and etiquette, celebrity experience-sharing sessions as well as career assessment and consultation services. YETP maintained close liaison with school career masters, training bodies and the Education Bureau (EDB), and promoted YETP in collaboration with Radio 2 of Radio Television Hong Kong and the Hong Kong Education City respectively. LD canvassed job vacancies suitable for secondary school graduates interested to seek employment and organised a number of large-scale and district-based job fairs at which job-seekers could have job interviews with the recruiting employers on the spot. A dedicated webpage was set up to provide information on the activities of the special programme as well as other employment market information. The webpage also listed job vacancies with no experience requirement for secondary school graduates to apply. The various youth pre-employment training and employment programmes under "Career Get-Set-Go" attracted more than 13 000 young people to participate. The large-scale and district-based job fairs also recorded an attendance of 19 500 job seekers including young people.

19. Moreover, young people may make use of the various employment support services offered and participate in the large-scale and district-based job fairs organised by LD for job seekers in general. Please refer to Appendix II for details.

## **Vocational Training and Training Services**

### ***Vocational Training Council (VTC)***

20. VTC is the major vocational education and training provider in Hong Kong offering a wide range of vocational education and training courses to people with different educational levels. Through VTC, the Government has put in place comprehensive and quality vocational-oriented programmes to provide young people with valued progression pathways outside the traditional education system to cater for their diverse abilities and interests. Upon completion of the programmes, they can either seek employment or pursue further studies.

21. At present, VTC provides about 250 000 training places each year through its 13 member institutions, including the Technological and Higher Education Institute of Hong Kong (THEi), Hong Kong Institute of Vocational Education (IVE), Hong Kong Design Institute (HKDI), Youth College (YC), Chinese Cuisine Training Institute (CCTI), Hospitality Industry Training and Development Centre (HITDC), and Maritime Services Training Institute (MSTI), etc. Pre-employment and

in-service vocational education and training programmes include vocationally-oriented bachelor's degree programmes, top-up degree programmes, higher diploma programmes, diploma and certificate programmes, in-service short training programmes, training programmes for non-engaged youths, apprentice training as well as a trade testing and certification system to help people obtain recognised trade qualifications. In 2012, more than 18 600 students completed full-time pre-employment programmes and over 90% of those who chose to work secured employment.

22. Programmes offered by VTC cover a spectrum of disciplines, including applied science, business administration, child education and community services, design, engineering, information technology, and hotel services and tourism studies. Since the introduction of free senior secondary education in the 2008/09 academic year, the Government has provided full subvention for full-time programmes run by VTC for Secondary 3 leavers in order to provide them with another valued study choice outside the traditional education system.

23. VTC operates eight YCs providing vocational education and training programmes mainly for young people above Secondary 3 level. The programmes offered by the YCs include the Diploma in Vocational Education and Foundation Diploma (Level 3) courses. Upon graduation, students may opt to seek employment or pursue further studies through articulation to VTC's higher diploma programmes, or higher diploma or associate degree programmes run by other educational institutions, and eventually leading to degree programmes.

24. Since the 2004/05 academic year, VTC has implemented the Vocational Development Programme (VDP) to provide vocational, life and generic skills training for non-engaged youth aged between 14 and 24. VDP helps these young people explore their interests, enhance their knowledge and skills as well as adopt the appropriate attitude. Upon completion of the VDP, young people will be better equipped for employment or further studies, for example, pursuing courses offered by the YCs.

25. Besides, the Office of the Director of Apprenticeship under VTC administers the Apprenticeship Scheme in accordance with the Apprenticeship Ordinance (Cap. 47). The Apprenticeship Scheme provides the apprentices with structured on-the-job training and vocational education. Employers of the apprentices are required to enter into contracts of apprenticeship with the apprentices, and register the contracts with the Director of Apprenticeship<sup>7</sup>. The employers are required to fulfil the responsibilities specified in the Ordinance and the contract of apprenticeship, including the provision of suitable training and guidance to the apprentices, allowing apprentices to attend specified courses, etc. In recent years,

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<sup>7</sup> The Executive Director of VTC has been appointed as the Apprenticeship Director in accordance with the Apprenticeship Ordinance.

the number of apprentices registered under the Ordinance remains at around 3 000. To attract more young people to undergo apprenticeship training, the Government has proposed in the 2014 Policy Address that VTC will launch a pilot scheme integrating apprenticeship training programmes and career progression for specific industries. The details are provided in paragraph 32 below.

26. VTC launched the Pilot Traineeship Scheme (the Pilot Scheme) at end -2011 which applied the mode of training-cum-work to the service industries. With beauty care and hairdressing industries as the starting point, the Pilot Scheme provides structured on-the-job training and vocational education to young people aged 15 or above. As at October 2013, VTC had enrolled 301 trainees under the Pilot Scheme. In a review conducted by VTC at end-2013, trainees and employers generally expressed satisfaction with the Scheme. In view of the manpower shortage in the retail and elderly care services industries, VTC will test out the mode of training-cum-work in these two industries in 2014 and provide 180 training places for each of these two industries. If the trainees and employers are eligible to join the YETP under LD, VTC will assist both parties in joining the programme to apply for the related allowances.

### ***Employees Retraining Board (ERB)***

27. ERB provides training courses and services to eligible employees aged 15 or above with an educational attainment at sub-degree or below. Currently, ERB offers over 870 training courses straddling 28 industries, including the full-time placement-tied courses and half-day or evening “Skills Upgrading Scheme Plus” courses as well as generic skills training courses. Young people who meet the relevant entry requirements are eligible to enrol in training courses that match their career aspirations and training needs. In addition, ERB provides vocational skills training and placement follow-up services to young people through dedicated training programmes, including the “Youth Training Programme”, “Employment Set Sail for Youth” and “Squad 3S” training programme. In 2013-14, ERB provides 58 dedicated training courses for young people, straddling 16 industries including beauty therapy, hairdressing, information & communications technology, hotel, design, real estate agents and property management & security, etc.

28. The “Youth Training Programme” targets non-engaged youth aged between 15 and 20 who have yet to complete secondary education. It aims to rekindle their desire to learn and further study as well as motivate them to actively plan for their future. The “Employment Set Sail for Youth” is suitable for secondary school graduates who aspire to seek jobs but lack full-time work experience. The programme assists them to acquire professional skills and recognised qualifications. In 2012-13, the total number of enrolments in “Youth Training Programme” and “Employment Set Sail for Youth” was around 600.

29. In 2013-14, ERB launched a pilot “Squad 3S” training programme.



Through the provision of one-stop professional training and placement services, the programme trained young people to become “security squads” to provide high-end property management and security services at specific venues (such as luxury residences, Grade A commercial buildings, shopping malls, etc.) and on specific events (such as large-scale exhibitions, shopping mall functions, concerts, etc.). YETP of LD supported the "Squad 3S" training programme by providing support services and subsidising trainees to undergo skill upgrading training upon employment. Of the 78 trainees who have completed the course, 76 have entered into employment. The overall placement rate of the programme reached 97%.

### **Pilot Projects for Young People in 2014 Policy Address**

30. The Government has announced in the 2014 Policy Address that LD will explore with employers and various organisations how different pilot projects can be launched under YETP to provide young people with appropriate pre-employment training, work attachment, on-the-job training and employment support services. Apart from launching the Traineeship Scheme in the retail industry as detailed in paragraph 26 above, LD, in collaboration with VTC, will launch a pilot project entitled “Achieve the poTEENTial” in the first quarter of 2014. The project targets young people who are younger (aged 15 to 19) and less experienced. They will be provided with occupational and on-the-job training, and assisted in ascertaining their career aspiration and entering the job market. This project is expected to provide about 300 on-the-job training places each year.

31. To cope with the pressing demand for care personnel in the social welfare sector and provide the younger generation with more employment options and a foundation for career development in care services, the Government introduced a “first-hire-then-train” pilot scheme through the Lotteries Fund last year. Under the scheme, young people are recruited to provide care services at residential care homes for the elderly and are provided with subsidies to pursue a two-year part-time course offered by the Open University. After completing the course, they may be promoted to a higher position. The Government will allocate additional resources to expand the pilot scheme and to cover rehabilitation services, providing an additional 1 000 places for young people who graduate from Secondary 5 or Secondary 6 level in the coming few years.

32. Currently, some industries or trades with specialised skills are facing labour shortage or ageing problems. If we can attract young people to pursue vocational education and develop a career in relevant industries, they will benefit from more opportunities for professional development, and at the same time the relevant industries can be relieved of their manpower needs. In this respect, the Government proposed in the 2014 Policy Address to introduce a Pilot Training and Support Scheme at VTC to integrate structured apprenticeship training programmes and clear career progression for specific industries. The scheme will benefit 2 000 students in total for two cohorts of intake to VTC’s apprenticeship training programmes for

specific industries in the 2013/14 and 2014/15 academic years, targeting Secondary 3 to Secondary 6 school leavers and eligible adult learners. Relevant details have been reported to the Panel on Education of the Legislative Council by EDB.

### **Public Engagement Exercise on Population Policy**

33. According to the labour force projections for the period 2013 to 2041 prepared by the Census and Statistics Department, Hong Kong's labour force (excluding foreign domestic helpers) would peak at 3.71 million in 2018, then decline to 3.52 million in 2031 and stay in the range of 3.51 million to 3.52 million thereafter. While it is important to identify ways to replenish our shrinking workforce, we should also enhance the productivity of our labour force. The Steering Committee on Population Policy (SCPP) released on 24 October 2013 a consultation document. Among the policy strategies recommended therein is enhancing the quality of our home-grown talent. The consultation period will run till 23 February 2014. SCPP will consider the views received in its next stage of work, which involves formulating strategies to address the population challenges and mapping out an actionable agenda covering short and long-term measures.

### **Conclusion**

34. The Government will continue to monitor closely the employment market trends, manpower needs of different sectors and career interests of young people, and consider further strengthening our services depending on the practical circumstances so to enhance the employment support for young people.

### **Advice sought**

35. Members are invited to note the contents of this paper and give their advice.

Labour and Welfare Bureau  
Labour Department  
February 2014

**Background Information on Trainees  
enrolled in the Youth Employment and Training Programme  
in 2012/13**

<b>Total number of trainees enrolled</b>	<b>8 095</b>	
Sex	Male	54%
	Female	46%
Age at enrolment	15 to 19	48%
	20 to 24	52%
Educational attainment	Secondary 4 or below	26%
	Secondary 5	31%
	Secondary 6 to 7	26%
	Diploma / Higher Diploma / Associate degree	14%
	Others (i.e. attaining secondary school education or equivalent in other places)	3%
Residential location#	Kong Kong Island and Outlying Islands	9%
	Kowloon	29%
	New Territories	61%
Top three preferred industries	Personal services	10%
	Catering	9%
	Welfare sector	9%

Note#: Percentage cannot add up to 100% due to rounding.

**Other Employment Support Services offered by LD**

***Employment Services***

LD operates 12 Job Centres, two industry-based Recruitment Centres, a Telephone Employment Service Hotline and an Interactive Employment Service website, as well as installing vacancy search terminals at various locations throughout the territory, to provide a wide array of free employment services to job seekers, including young people. Young people may make use of the facilities and services to obtain the latest vacancy information and job referrals. Besides, LD also regularly organises large-scale job fairs at different districts and district-based job fairs in the 12 job centres, with some of them tailor-made for young job seekers. Young people can also attend the job fairs to submit job applications and attend job interviews with employers on the spot to obtain employment.

***Work Incentive Transport Subsidy Scheme***

2. To help low-income earners reduce their cost of travelling to and from work and encourage them to secure or stay in employment, LD launched the Work Incentive Transport Subsidy (WITS) Scheme in October 2011. As at the end of 2013, LD received 142 898 applications from 80 795 applicants, of whom 11 841 (14.7%) were young people aged 15 to 29. A total subsidy payment of \$512.7 million was made to 63 974 applicants, including 8 431 (13.2%) youths aged 15 to 29. As applicants may apply for WITS every six to 12 months, some of them received the subsidy in more than one round of applications.

3. With the enhancement measures of the WITS Scheme taking effect from the claim months of 2013, applicants may choose to apply on an individual or household basis. The income and asset limits for the subsidy have also been raised from the claim month of February 2014 onwards under the annual adjustment mechanism.