

## **CHAPTER 3**

### **Labour and Welfare Bureau Labour Department**

<h3><b>Employment services provided by the Labour Department</b></h3>
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**Audit Commission  
Hong Kong  
1 April 2019**

*This audit review was carried out under a set of guidelines tabled in the Provisional Legislative Council by the Chairman of the Public Accounts Committee on 11 February 1998. The guidelines were agreed between the Public Accounts Committee and the Director of Audit and accepted by the Government of the Hong Kong Special Administrative Region.*

Report No. 72 of the Director of Audit contains 8 Chapters which are available on our website at <https://www.aud.gov.hk>

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# EMPLOYMENT SERVICES PROVIDED BY THE LABOUR DEPARTMENT

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# EMPLOYMENT SERVICES PROVIDED BY THE LABOUR DEPARTMENT

## Executive Summary

1. The Labour Department (LD) provides general employment and recruitment services to job seekers and employers through 13 job centres, 3 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, ethnic minority (EM) job seekers and job seekers with disabilities. As at 31 December 2018, the number of staff providing employment services was 443 (comprising 422 civil service staff and 21 non-civil service contract staff). In 2017-18, the total expenditure for providing employment services was \$365.7 million. The Audit Commission (Audit) has recently conducted a review of the employment services provided by LD.

### General employment services for all job seekers

2. *Decreasing number of registered job seekers.* LD reports the number of registered job seekers in the Controlling Officer's Report (COR) as one of the performance indicators. Audit analysed the number of unemployed persons and the number of LD's registered job seekers in Hong Kong in the period from 2008 to 2017. Audit noted that, 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 might suggest that more and more job seekers chose not to register with LD. Since the number of job seekers using mobile devices to seek jobs is increasing and they may make direct applications to employers without registering with LD, it appears that the number of registered job seekers is no longer a good indicator to reflect the performance of LD (paras. 2.7, 2.8 and 2.10).

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3. ***Decreasing number of job referrals and direct placements through LD's referrals.*** Audit analysed the numbers of job referrals and direct placements through LD's referrals for registered job seekers from 2014 to 2018 and noted that: (a) the total number of job referrals decreased by 59,354 (45%) from 131,869 in 2014 to 72,515 in 2018. In particular, the number of job referrals arranged by the job centres and recruitment centres decreased by 50,069 (47.6%) from 105,154 in 2014 to 55,085 in 2018; and (b) the number of direct placements through LD's referrals for registered job seekers decreased by 7,415 (48.8%) from 15,202 in 2014 to 7,787 in 2018 (para. 2.12).

4. ***Decreased number of visitors to job centres and a recruitment centre.*** Audit analysed the number of visitors of the 13 job centres and 3 recruitment centres for the period from 2016 to 2018 and noted that: (a) the number of visitors of 13 job centres decreased by 69,350 (18%) from 381,762 in 2016 to 312,412 in 2018; (b) 12 of the 13 job centres recorded a decrease in the number of visitors. The percentage of decrease ranged from 3% in Tai Po Job Centre to 34% in Employment in One-stop; and (c) the number of visitors of CIRC decreased by 2,114 (12%) from 18,181 in 2016 to 16,067 in 2018. For RCCI and RCRI, they did not keep statistics on the number of visitors (para. 2.15).

5. ***Need to conduct a comprehensive review on general employment services.*** The needs of job seekers have changed, as evidenced by the decrease in the number of registered job seekers, the decrease in the number of job referrals and direct placements, and the decrease in the number of visitors to job centres and recruitment centres. Audit considers that LD needs to conduct a comprehensive review on the general employment services with a view to addressing the issues (paras. 2.19 and 2.20).

6. ***Need to review the effectiveness of district-based job fairs and industry-based job fairs.*** LD organises district-based and industry-based job fairs through its 13 job centres and 3 recruitment centres respectively to facilitate job seekers and employers to meet and communicate direct. Interview facilities are available for employers to conduct on-the-spot interviews with registered job seekers during the job fairs. Audit noted that: (a) for district-based job fairs held in the period from 2016 to 2018, the average number of interviews arranged in each 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 5 in 2016, 4 in 2017 and 3 in 2018; and (b) for industry-based job fairs held by the three recruitment centres in 2018, the



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average number of interviews arranged in each job fair for RCCI was 20, which was lower than that of RCRI (34 interviews arranged) and CIRC (27 interviews arranged), and the average number of placements secured in each job fair for RCCI, RCRI and CIRC was 3, 8 and 2 respectively (paras. 2.23, 2.25 and 2.27).

7. ***Decreasing number of visits and number of page views of iES website.***

iES website was launched in March 1999 to provide job vacancy and employment information to job seekers, while employers can submit and publicise job vacancy information through the website. LD also launched an iES mobile app in January 2012, providing an additional online channel for job seekers to search for suitable vacancies from the job vacancy database of LD. Audit noted that: (a) number of visits to iES website decreased by 8 million (40%) from 20 million in 2014 to 12 million in 2018; (b) number of iES website page views decreased by 81 million (29%) from 283 million in 2014 to 202 million in 2018; and (c) while number of access to iES mobile app increased by 1 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 app, for example, job hunting briefcase which provided template for application letter and Curriculum Vitae, interview techniques, etc. (paras. 2.32 to 2.35).

8. ***Need to disclose the number of direct and indirect placements separately.***

Since 1998, the number of placements had included: (a) direct placements (i.e. placements secured through LD's referrals); and (b) indirect placements (i.e. placements made by direct application to employers without LD's referrals), which was derived from LD's surveys with employers. LD only reported the total number of placements in COR, without disclosing the numbers of direct and indirect placements separately. In the 2018-19 COR, LD reported that 154,222 placements were made in 2017. Audit noted that the 154,222 placements comprised: (a) 9,845 (6%) direct placements; and (b) 144,377 (94%) indirect placements. Audit analysed the number of placements in the period from 2009 to 2018 and noted that: (a) the number of indirect placements accounted for a high percentage of total placements during the period, ranging from 84% to 94%; and (b) the number of total placements increased by 15,209 (13%) from 120,870 in 2009 to 136,079 in 2018. The increase was wholly attributed to the increase in indirect placement. The number of indirect placement increased by 26,807 (26%) from 101,485 in 2009 to 128,292 in 2018. On the other hand, the number of direct placements decreased by 11,598 (60%) from 19,385 in 2009 to 7,787 in 2018 (paras. 2.39 to 2.41).

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### **Dedicated employment services for job seekers with special needs**

9. LD provides dedicated employment services for different groups of job seekers with special needs:

- (a) young job seekers (see paras. 10 to 16);
- (b) elderly and middle-aged job seekers (see paras. 17 to 20);
- (c) EM job seekers (see paras. 21 to 23); and
- (d) job seekers with disabilities (see paras. 24 to 28).

### **Employment services for young job seekers**

10. *Decreased number of Youth Employment and Training Programme (YETP) trainees.* LD administers YETP to provide a comprehensive platform of job search with one-stop and diversified pre-employment training (PET) and on-the-job training (OJT) opportunities for young people aged 15 to 24 with educational attainment at sub-degree level or below. Audit noted that from 2012 to 2017, the overall unemployment rates of young people aged 15 to 24 stayed at a high level (ranging from 8.5% to 10.5%). While 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 YETP decreased by 42% from 8,095 in the programme year 2012/13 to 4,694 in the programme year 2017/18 (paras. 3.4, 3.5 and 3.10).

11. *Need to reduce number of cancelled training courses.* Under YETP, a PET course will be cancelled if the enrolment falls below the minimum number approved by LD. In programme years 2015/16, 2016/17 and 2017/18, 656, 459 and 446 PET courses were arranged by training bodies respectively. However, more than 50% of the courses arranged were cancelled due to insufficient enrolment of trainees. In particular, all training courses arranged by three of the training bodies were cancelled in programme years 2016/17 and 2017/18. Audit further analysed the cancelled courses from 2015/16 to 2017/18 programme years and noted that about 40% of the cancelled courses were core courses. The cancellation of core courses

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would affect the training progress of some trainees. The cancellation of courses would also result in reduction of choices in course selection for YETP trainees. Audit noted that for 11 (31%) out of the 35 course types in the programme year 2017/18, all the courses arranged were subsequently cancelled due to insufficient enrolment. As such, no courses of these 11 course types were available to the trainees concerned (paras. 3.14 to 3.16).

12. ***Need to encourage more trainees to enrol in OJT.*** Under YETP, LD makes arrangements with employers to offer OJT vacancies to trainees so that they have the opportunity to learn and be engaged as direct employees for a period of 6 to 12 months. Audit reviewed the percentage of trainees enrolled in OJT in the period from programme years 2013/14 to 2017/18 and found that less than half of the trainees enrolled in OJT, ranging from 2,129 to 2,982 trainees (paras. 3.18 and 3.19).

13. ***Need to encourage completion of OJTs by trainees.*** In 2016/17 programme year, 2,602 OJTs were arranged for trainees under YETP. Of the 2,602 OJTs, 1,031 (40%) were not completed (i.e. early termination). In particular, 135 (68%) of the 198 OJTs with training duration of 9 months were not completed (para. 3.22).

14. ***Target number of members using Youth Employment Start (Y.E.S.) services not met.*** LD operates two Youth Employment Resource Centres known as Y.E.S., namely the Mong Kok Centre and the Kwai Fong Centre, to provide one-stop employment and self-employment support services to young people aged between 15 and 29. LD specified in the Y.E.S. Operation Manual in 2014 that: (a) the two Y.E.S. centres should provide services to a total of about 29,000 members per year; and (b) LD would review from time to time whether the number of members who used Y.E.S. services met the target. Audit noted that the number of members using 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 (paras. 3.27 to 3.30).

15. ***Need to ensure that the information reported in the COR on performance of Y.E.S. services is accurate.*** The performance indicator reported in the COR relating to Y.E.S. service is the number of “young people receiving employment and self-employment advisory and support services provided by the Youth Employment Resource Centres”. However, in reporting the actual performance in the COR, LD

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reported the number of times of Y.E.S. services provided instead of the number of young people receiving Y.E.S. services. Audit noted that the number of young people receiving Y.E.S. services in 2018 (i.e. 14,889) was far less than the number of times of Y.E.S. services provided (i.e. 72,899) (para. 3.31).

16. ***Target attendance rates not met for some training activities.*** According to the operation contracts of Y.E.S. centres for programme years 2016/17 to 2018/19 between LD and the operator: (a) one of the performance standards is to maintain a quarterly average attendance rate of 85% for all training activities organised; and (b) for monitoring purposes, the operator shall be required to achieve an attendance rate of 80% of the target number for each training activity. Audit found that for 2018, while the two centres achieved a quarterly average attendance rate of 85% for all training activities, for 15% and 24% of the training activities organised by the Mong Kok Centre and by the Kwai Fong Centre respectively, the operator did not achieve the attendance rate of 80% for the training activities (paras. 3.32 and 3.33).

### **Employment services for elderly and middle-aged job seekers**

17. ***Need to encourage employers to join Employment Programme for the Elderly and Middle-aged (EPEM).*** LD implements EPEM to encourage employers to engage unemployed job seekers aged 40 or above and provide them with OJT through the provision of training allowance to the employers. After employing an eligible job seeker, the employer joining EPEM has to submit a preliminary application form for OJT to the EPEM Coordination Office. The employer should only commence OJT recognised under EPEM after obtaining LD's approval-in-principle for the preliminary application. Upon completion or termination of OJT, the employer should submit the assessment-cum-claim form for LD's approval to claim the OJT allowance. No OJT allowance will be granted if the OJT period undergone by the employee is less than one month. Audit noted that: (a) in the period from 2014 to 2018, the average number of eligible placements for EPEM was 2,660. However, the average number of eligible placements with preliminary applications for EPEM submitted was only 565 (21.2% of 2,660); and (b) in the period from 2013 to 2017, for 572 (22.2%) of the 2,581 placements with approval-in-principle, the employers did not claim the OJT allowance (paras. 3.39, 3.44 to 3.46 and 3.49).

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18. ***Decreased completion rates of OJTs.*** OJTs last for 3 to 6 months for employees aged 40 to below 60 and 6 to 12 months for employees aged 60 or above. Audit analysed the 2,581 placements with approval-in-principle under EPEM from 2013 to 2017 and noted that for only 1,951 (75.6%) placements with approval-in-principle, the employees could complete the whole approved OJT period. The percentage of placements where OJTs were completed decreased from 78.5% in 2013 to 71.2% in 2017 (paras. 3.51 and 3.52).

19. ***Decreasing retention rates for placements under EPEM.*** Based on the five recent retention surveys covering placements from April 2015 to September 2017, the retention rates for six months or above decreased from 77.7% for the period from April to September 2015 to 61.8% for the period from April to September 2017 (para. 3.56).

20. ***Need to improve reporting on number of placements secured under EPEM.*** LD discloses the number of “placements secured under EPEM” in its annual reports and the information given to the Finance Committee of the Legislative Council. Audit noted that the number of “placements secured under EPEM” disclosed was the number of placements eligible under EPEM. The number of placements for which employers joined EPEM (placements with approval-in-principle under EPEM) (i.e. 431 in 2017) was much smaller than the number of placements eligible for EPEM (i.e. 2,642 in 2017) (paras. 3.59 and 3.60).

### **Employment services for ethnic minority job seekers**

21. ***Need to step up efforts to increase number of placements for EM job seekers.*** 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. Audit noted that: (a) for large-scale inclusive job fairs, the number of placements for EM job seekers was not high, ranging from 4 in 2017 to 23 in 2016, and the average number of placements per job fair ranged from 2 in 2017 to 11.5 in 2016; and (b) for district-based inclusive job fairs, the number of placements for EM job seekers was not high, ranging from 20 in 2018 to 23 in both 2016 and 2017, with an average number of placements of about 2 in each job fair (paras. 3.66 and 3.68).

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22. *Small number of job seekers attending employment briefings.* Employment briefings are organised by job centres to help EM job seekers better understand the latest labour market situation and improve their job search skills. However, 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 (para. 3.71).

23. *Need to encourage employers to indicate that EMs are welcome for the posts.* When employers submit information to place job vacancies with LD for advertising, there is an option for employers to specify that EMs are welcome for the post. Audit examined the job vacancies posted by the employers from 2016 to 2018 and noted that the percentage of vacancies where employers indicated that EMs were welcome for the posts was not high, ranging from 12% in 2016 to 16% in 2018 (para. 3.77).

### Employment services for job seekers with disabilities

24. *Need to endeavour to help job seekers with disabilities to secure placements.* LD monitors the placement rates per registered job seeker with disabilities and the percentage of registered job seekers with disabilities who had placements to assess the effectiveness of the employment services provided to them. The placement rates per registered job seeker with disabilities fell from 93% in 2014 to 80.2% in 2018. For the period from 2014 to 2018, only about half of the registered job seekers with disabilities (i.e. 49.6% to 52.4%) had placements in a year (para. 3.89).

25. *Need to improve the reporting of the number of placements for job seekers with disabilities.* LD uses the sum of the number of direct placements (i.e. achieved by the placement efforts of LD staff) and indirect placements (i.e. self-help placements cases where the registered job seekers found the job themselves or with other help) for job seekers with disabilities as one of the performance indicators in COR. In the period from 2014 to 2018, the percentage of indirect placements increased from 20% in 2014 to 33.8% in 2018. Audit considers that LD needs to separately report the number of direct and indirect placements for job seekers with disabilities in COR (paras. 3.92, 3.94 and 3.95).

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26. ***Short retention period of placements for job seekers with disabilities.*** Audit analysed the retention period for placements made in the period from 2013 to 2017 and noted that: (a) 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; and (b) 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 (para. 3.96).

27. ***Low retention rates for Work Orientation and Placement Scheme (WOPS) placements.*** WOPS aims to encourage employers to offer job vacancies and work orientation period to job seekers with disabilities through provision of financial incentive. Employers participating in WOPS are entitled to a monthly allowance for up to nine months. Audit noted that, after the end of WOPS allowance period, the percentage of WOPS placements with the employees with disabilities still staying in employment were 37.5% (304 of 811 WOPS placements), 38.1% (311 of 816 WOPS placements) and 37.9% (304 of 802 WOPS placements) for 2015, 2016 and 2017 respectively (paras. 3.100, 3.102 and 3.106).

28. ***Decreasing number of participants of PET classes.*** Under WOPS, LD regularly runs 1-day PET classes at the three regional offices for job seekers with disabilities with a view to enhancing their chance of employment. On completion of PET, the job seekers will receive a training allowance. The number of participants in PET 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 (paras. 3.109 and 3.110).

### **Audit recommendations**

29. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has recommended that the Commissioner for Labour should:**

#### ***General employment services for all job seekers***

- (a) **conduct a comprehensive review on the general employment services (para. 2.21) with a view to:**

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- (i) **rationalising the employment services provided to registered job seekers and non-registered job seekers to better meet their needs (para. 2.21(a));**
  - (ii) **reviewing the cost-effectiveness of and the need to rationalise the services provided by the job centres, recruitment centres and Telephone Employment Service Centre (para. 2.21(c)); and**
  - (iii) **exploring measures to address the issue of decreasing number of visitors to job centres and recruitment centres (para. 2.21(d));**
- (b) **consider reviewing the effectiveness of the district-based job fairs and the industry-based job fairs in securing placements for job seekers and employers (para. 2.30);**
  - (c) **continue to make necessary enhancements to iES website and consider providing more essential and useful information on iES mobile app to meet job seekers' needs (para. 2.36(a) and (b));**
  - (d) **separately disclose in COR the number of direct placements through LD's referrals and indirect placements without going through LD's referrals, and disclose the calculation method of indirect placements (para. 2.44(a));**

### *Employment services for young job seekers*

- (e) **review whether YETP meets the needs of young job seekers in finding jobs and ascertain the reasons why the number of trainees of YETP has been on a decreasing trend despite the relatively high unemployment rate for young people aged 15 to 24 (para. 3.25(a));**
- (f) **take measures to reduce the number of cancelled training classes and ensure that the training progress of YETP trainees and the variety of course types are not affected by the cancellation of courses as far as practicable (para. 3.25(b));**



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- (g) **take measures to encourage more YETP trainees to enrol in OJT, keep in view the completion rates of OJTs of YETP trainees and conduct analysis on the reasons for early termination of OJTs (para. 3.25(c) and (d));**
- (h) **closely monitor the number of members using Y.E.S. services and take appropriate action to follow up with the operator for failing to meet the pertinent target (para. 3.35(a));**
- (i) **take measures to ensure the accuracy of information reported in the COR and ensure that the performance indicator in the COR reflects precisely the intention of LD (para. 3.35(c));**
- (j) **monitor the attendance rate for each training activity organised by Y.E.S. and, where necessary, take appropriate follow-up action with the operator for training activities which have not achieved the target attendance rate (para. 3.35(d));**

### *Employment services for elderly and middle-aged job seekers*

- (k) **take measures to encourage employers to join EPEM for their eligible placements (para. 3.61(a));**
- (l) **review the effectiveness of EPEM in promoting the employment of elderly and middle-aged job seekers (para. 3.61(b));**
- (m) **monitor the completion rates of OJTs under EPEM and take measures to help elderly and middle-aged job seekers complete OJTs as far as possible (para. 3.61(c));**
- (n) **monitor the retention rates for placements under EPEM with OJT allowance granted and take measures to help those elderly and middle-aged job seekers who have difficulty in staying in employment (para. 3.61(d));**

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- (o) when disclosing information on placements secured under EPEM, distinguish the number of placements eligible for EPEM from the number of placements for which the employers joined EPEM (para. 3.61(f));

### *Employment services for ethnic minority job seekers*

- (p) step up efforts to increase the number of placements for EM job seekers (para. 3.74(a));
- (q) make more efforts to encourage EM job seekers to attend the employment briefings to better understand the latest labour market situation and improve their job search skills (para. 3.74(b));
- (r) take further action to promote the employment of EMs among employers and continue to encourage employers to indicate that EMs are welcome for the posts when placing job vacancies with LD (para. 3.79);

### *Employment services for job seekers with disabilities*

- (s) endeavour to help job seekers with disabilities to secure placements, especially those who have waited for a long time without placements (para. 3.98(b));
- (t) separately report the number of direct and indirect placements for job seekers with disabilities in COR (para. 3.98(c));
- (u) take measures to help job seekers with disabilities stay in their placements for longer period of time (para. 3.98(d));
- (v) closely monitor the percentage of WOPS placements staying in employment after the end of allowance period and take measures to help the job seekers with disabilities stay longer in their placements (para. 3.117(a)); and

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- (w) **rationalise the number of PET classes to be held in future, closely monitor the number of participants in PET programme and take effective follow-up action to improve the participation rate (para. 3.117(b)).**

### **Response from the Government**

- 30. The Commissioner for Labour agrees with the audit recommendations.

## **PART 1: INTRODUCTION**

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

### ***Background***

#### ***Labour force and unemployment rate in Hong Kong***

1.2 The Census and Statistics Department conducts General Household Survey to collect information on the labour force, unemployment and underemployment. According to the Census and Statistics Department, labour force refers to the land-based non-institutional population aged 15 and over who satisfy the criteria for being classified as employed persons or unemployed persons. Employed persons refer to those persons aged 15 and over who have been engaged in performing work for pay or profit during the 7 days before enumeration or have had formal job attachment. Employed persons also include unpaid family workers and employed persons who were on leave/holiday during the 7 days before enumeration. Unemployed persons refer to those persons aged 15 and over who fulfil the following conditions:

- (a) have not had a job and have not performed any work for pay or profit during the 7 days before enumeration;
- (b) have been available for work during the 7 days before enumeration; and
- (c) have sought work during the 30 days before enumeration.

If a person aged 15 or over fulfils the conditions (a) and (b) above but has not sought work during the 30 days before enumeration because he/she believes that work is not available, he/she is still classified as unemployed and is regarded as a discouraged worker.

## Introduction

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- 1.3 The following types of persons are also classified as unemployed:
- (a) persons without a job, have sought work but have not been available for work because of temporary sickness; and
  - (b) persons without a job, have been available for work but have not sought work because they:
    - (i) have made arrangements to take up a new job or to start business on a subsequent date; or
    - (ii) were expecting to return to their original jobs.

Unemployment rate refers to the proportion of unemployed persons in the labour force.

1.4 The labour force and unemployment rates in the period from 2008 to 2017 are shown in Table 1. During the period, the unemployment rates of young people aged 15 to 24 were higher than those of the other age groups. In 2017, the labour force totalled 3.95 million people and the overall unemployment rate was 3.1%.

**Table 1**  
**Labour force and unemployment rates by age group**  
**(2008 to 2017)**

Year	Labour force (million)	Unemployment rate by age group					
		15-24	25-29	30-39	40-59	60 or above	Overall
2008	3.64	8.4%	3.0%	2.4%	3.4%	1.9%	3.5%
2009	3.66	12.6%	4.8%	3.9%	4.9%	3.0%	5.3%
2010	3.63	12.2%	4.1%	3.1%	3.8%	2.8%	4.3%
2011	3.70	9.3%	3.5%	2.5%	3.0%	2.0%	3.4%
2012	3.78	9.3%	3.4%	2.4%	2.8%	2.0%	3.3%
2013	3.86	9.5%	3.6%	2.3%	3.0%	2.3%	3.4%
2014	3.87	9.2%	3.4%	2.2%	2.9%	2.8%	3.3%
2015	3.90	10.5%	3.4%	2.1%	2.8%	2.5%	3.3%
2016	3.92	9.8%	4.0%	2.3%	2.9%	2.2%	3.4%
2017	3.95	8.5%	4.2%	2.2%	2.7%	2.2%	3.1%
Change from 2008 to 2017	+0.31	+0.1 percentage point	+1.2 percentage point	-0.2 percentage point	-0.7 percentage point	+0.3 percentage point	-0.4 percentage point

*Source: General Household Survey of the Census and Statistics Department*

*Remarks: According to the latest statistics released by the Census and Statistics Department, the provisional figure of seasonally adjusted unemployment rate in the period November 2018 to January 2019 was 2.8%.*

## **Introduction**

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### ***Employment services provided by the Labour Department***

1.5 The Labour Department (LD) provides free employment and recruitment services to job seekers and employers as follows:

- (a) ***General employment services for all job seekers.*** LD provides employment and recruitment services to help job seekers find suitable jobs and employers fill their vacancies (see para. 1.6 and PART 2); and
- (b) ***Dedicated employment services for job seekers with special needs.*** LD provides dedicated employment services and programmes for job seekers with special needs to promote their employment (see para. 1.7 and PARTS 3 to 3D).

### ***General employment services for all job seekers***

1.6 LD provides free employment and recruitment services to job seekers and employers through 13 job centres, 3 industry-based recruitment centres, a Telephone Employment Service Centre and a Job Vacancy Processing Centre. Employment services are also available through the LD's Interactive Employment Service (iES) website ([www.jobs.gov.hk](http://www.jobs.gov.hk)) launched in 1999 and an iES mobile application (mobile app) launched in 2012. Details are as follows:

- (a) ***Job centres.*** LD operates 13 job centres (3 on Hong Kong Island, 3 in Kowloon and 7 in the New Territories — see para. 2.2). Job seekers can browse vacancies at the job centres and seek LD's referral service or apply to the employers direct. Job seekers may also meet with LD's employment officers at job centres to receive personalised employment advisory service. Employment officers will provide them with job search advice as well as assistance in matching and finding suitable jobs in accordance with their individual needs and preferences. Various facilities such as digital display system, touch-screen vacancy search terminals, fax machines, toll-free telephones, computers equipped with resume-writing software and Internet connection, resource corners, etc. are available for use by job seekers;

- (b) ***Industry-based recruitment centres.*** LD operates 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). The Centres provide free as well as one-stop and on-the-spot recruitment services for employers and job seekers, enhancing the efficiency of recruitment and job search;
- (c) ***Telephone employment service.*** Registered job seekers may call LD's Telephone Employment Service Centre for job referral service. Through conference calls, staff of the centre can make arrangement for job seekers to talk to employers direct (see para. 2.4);
- (d) ***Online employment services.*** LD's iES website provides employment and job vacancy information, and other online employment services to job seekers. Employers can publicise job vacancies on the website. Various dedicated webpages are set up on iES website to cater for the needs of different job seekers and employers. Job seekers can also make use of iES mobile app running on smart phones or mobile devices to search for suitable vacancies from the job vacancy database of LD and obtain employment information. In 2018, iES website recorded around 202 million page views, while iES mobile app registered about 145 million hits;
- (e) ***Job Vacancy Processing Centre.*** Free recruitment services are provided to employers. Employers may send their vacancy information to LD's Job Vacancy Processing Centre by fax or through the Internet. The vacancy information is then disseminated through job centres, industry-based recruitment centres, iES website and iES mobile app, and vacancy search terminals. The total number of private-sector job vacancies posted up by LD in 2018 was 1,468,394; and
- (f) ***Job fairs.*** Job fairs are held to facilitate job seekers and employers to meet and have on-the-spot interviews. In 2018, LD organised 19 large-scale job fairs, offering 42,550 job vacancies and arranging 5,311 on-the-spot interviews. Moreover, 958 district-based job fairs, with 24,877 on-the-spot interviews arranged, were held at 13 job centres to facilitate placements of job seekers in the vicinity of their residences. At the three industry-based recruitment centres, a total of 666 job fairs were organised, arranging 18,033 on-the-spot interviews.



### *Dedicated employment services for job seekers with special needs*

1.7 LD provides dedicated employment services for job seekers with special needs to promote their employment, which will help replenish local workforce and build an inclusive society. The services for different groups of job seekers with special needs are as follows:

- (a) ***Young job seekers.*** LD's Youth Employment and Training Programme (YETP) provides customised training and employment support services, including case management services, pre-employment training (PET), workplace attachment training, and on-the-job training (OJT) of six to twelve months for young school leavers aged 15 to 24 with educational attainment at sub-degree level or below (see paras. 3.5 and 3.6). For young people aged between 15 and 29, one-stop advisory and support services are provided at two Youth Employment Resource Centres, known as Youth Employment Start (Y.E.S.) (see paras. 3.27 and 3.28);
  
- (b) ***Elderly and middle-aged job seekers.*** LD provides dedicated employment services for the elderly and middle-aged job seekers through various measures. These measures include staging large-scale job fairs for elderly and middle-aged job seekers, setting up special counters at job centres to provide priority registration and job referral service, organising employment briefings, and setting up a dedicated webpage under iES website to facilitate their access to updated employment information and search for suitable job vacancies. To meet the needs of those elderly persons who are more interested in taking up part-time jobs, district-based job fairs on part-time employment are also held at job centres. Furthermore, LD implements the Employment Programme for the Elderly and Middle-aged (EPEM) (Note 1). EPEM aims at encouraging employers to engage unemployed job seekers aged 40 or above and provide the job seekers with OJT, through the provision of training allowance to employers. Upon completion of OJT by eligible employees under EPEM, employers engaging unemployed elderly job seekers aged 60 or above may apply for an OJT allowance of up to \$4,000 per month per employee for 6 to 12 months. Employers engaging unemployed job seekers aged 40 to

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**Note 1:** *The Re-employment Training Programme for the Middle-aged was launched in May 2003 and was renamed the Employment Programme for the Middle-aged in early 2006. With effect from 1 September 2018, the Employment Programme for the Middle-aged had been renamed EPEM.*

below 60 may apply for an OJT allowance of up to \$3,000 per month per employee for 3 to 6 months (see para. 3.42);

- (c) ***Ethnic minority (EM) job seekers.*** LD's job centres provide dedicated services for EM job seekers through special counters, resource corners, employment briefings, personalised employment advisory service, etc. Interpretation services are also arranged for job seekers who are not proficient in Chinese and English. LD also provides in-depth follow-up services to offer employment assistance to EM job seekers and keep track of their employment statuses as appropriate. Since September 2014, LD has implemented the Employment Services Ambassador (ESA) Programme for EMs, under which trainees of the YETP who can communicate in EM languages are employed as ESAs to work at LD's job centres, industry-based recruitment centres and job fairs to help EM job seekers use various job search facilities and services. Furthermore, since May 2017, LD has engaged, on a pilot basis, two employment assistants who are conversant with EM languages and cultures at Kowloon West Job Centre in Sham Shui Po and Employment in One-stop (EOS) in Tin Shui Wai to provide employment services for EM job seekers (see para. 3.64); and
- (d) ***Job seekers with disabilities.*** Personalised employment services are provided for job seekers with disabilities who are fit for open employment. Job seekers with disabilities are provided with employment counselling, job matching and referral, and post-placement follow-up services. Since April 2005, LD has implemented Work Orientation and Placement Scheme (WOPS) to encourage employers to offer job vacancies and work orientation period to persons with disabilities through the provision of financial incentive. Employers participating in WOPS are entitled to a monthly allowance for up to nine months. The total amount of allowance payable to the employers for each job seeker with disabilities is subject to a maximum of \$51,000 (see para. 3.102).

### *Organisation structure*

- 1.8 LD provides employment services through four Divisions:
- (a) ***Employment Information and Promotion Division.*** The Employment Information and Promotion Division is responsible for organising large-scale job fairs, operating the Telephone Employment Service Centre and the Job Vacancy Processing Centre, and promoting LD's employment and recruitment services;
  - (b) ***Employment Services Division.*** The Employment Services Division is responsible for providing free employment and recruitment services to job seekers and employers through its job centres, recruitment centres, and iES website and iES mobile app;
  - (c) ***Selective Placement Division.*** The Selective Placement Division is responsible for providing free recruitment services to employers and free employment services to job seekers with disabilities; and
  - (d) ***Youth Employment Division.*** The Youth Employment Division is responsible for providing careers advisory services, customised training and employment support services for the young people through YETP and Y.E.S.

As at 31 December 2018, the number of staff under four Divisions providing employment services was 443 (comprising 422 civil service staff and 21 non-civil service contract staff). An extract of the organisation chart of LD is shown at Appendix A. In 2017-18, the total expenditure for providing employment services was \$365.7 million (see Table 2).

Table 2

**Number of staff and expenditure of four Divisions of LD  
providing employment services  
(2017-18)**

Division	No. of staff as at 31 December 2018 (No.)	Expenditure (\$ million)
Employment Information and Promotion Division	104	46.6
Employment Services Division	217	139.2
Selective Placement Division	45	40.3
Youth Employment Division	77	139.6
Total	443	365.7

*Source: Audit analysis of LD records*

## Audit review

1.9 In October 2012, the Audit Commission (Audit) completed an audit review of youth employment services. The results were reported in Chapter 10 of the Director of Audit's Report No. 59 of October 2012.

1.10 In October 2018, Audit commenced a review of the employment services provided by LD. The audit has focused on the following areas:

- (a) general employment services for all job seekers (PART 2); and
- (b) dedicated employment services for job seekers with special needs (PART 3).

Audit has found room for improvement in the above areas and has made a number of recommendations to address the issues.

### **General response from the Government**

1.11 The Commissioner for Labour agrees with the audit recommendations. He has said that:

- (a) amidst the significant tightening of the labour market in recent years, LD has been striving to provide appropriate employment and recruitment services to cater for the changing needs of both job seekers (particularly those with special needs) and employers in different industries; and
- (b) LD will continue to keep close watch of the changes in the economy and explore measures to better serve the needs of job seekers and employers.

### **Acknowledgement**

1.12 Audit would like to acknowledge with gratitude the full cooperation of the staff of LD during the course of the audit review.

## **PART 2: GENERAL EMPLOYMENT SERVICES FOR ALL JOB SEEKERS**

2.1 This PART examines the general employment services provided by LD for all job seekers, focusing on the following areas:

- (a) provision of general employment and recruitment services (paras. 2.2 to 2.22);
- (b) job fairs (paras. 2.23 to 2.31);
- (c) iES (paras. 2.32 to 2.37); and
- (d) performance measurement (paras. 2.38 to 2.45).

### **Provision of general employment and recruitment services**

2.2 LD provides a wide range of free employment and recruitment services to job seekers and employers through 13 job centres (3 on Hong Kong Island, 3 in Kowloon and 7 in the New Territories) (Note 2), three industry-based recruitment centres, namely RCCI, RCRI and CIRC, a Telephone Employment Service Centre and a Job Vacancy Processing Centre. The services provided include:

- (a) ***Employment advisory service.*** The employment advisory service includes discussing with the job seekers their employment needs, assisting them to improve job-seeking techniques, providing them with latest information of the employment market and training/retraining courses, and undergoing career aptitude assessments as appropriate. In 2018, the job centres provided 1,916 employment advisory services to job seekers;

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**Note 2:** *In addition to the basic employment services, the job centre in Tin Shui Wai, known as EOS, also provides case management and employment support services on a pilot basis through a non-governmental organisation (NGO) commissioned by LD. LD has planned to cease the provision of case management and employment support services at EOS in around 2019 to 2020, and revert it to a regular job centre serving the Yuen Long district.*

## General employment services for all job seekers

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- (b) ***Job referral service.*** LD provides job referral service to registered job seekers visiting the job centres. On the other hand, where employers have chosen to disclose their contact means, job seekers can also make job applications to employers direct without LD's referral service. The vast majority of vacancies advertised through LD are open for direct application by job seekers;
- (c) ***Employment briefings.*** LD organises employment briefings to help job seekers better understand the current labour market situation and master job interview techniques. In 2018, the 13 job centres organised 74 employment briefings for 528 participants;
- (d) ***Employer-based job placement service.*** LD provides employer-based job placement service by matching suitable job seekers for the employers based on the criteria set by the employers. In 2018, the 13 job centres provided 2,365 employer-based job placement services to employers and job seekers;
- (e) ***Experience sharing sessions.*** LD organises experience sharing sessions for employers to promote the recruitment and employment services of LD, encourage employers to engage the elderly, new arrivals and EMs, exchange views with employers on the current job market, and provide a platform for the employers to share and exchange views on their recruitment needs, recruitment strategies and employment issues. Representatives from government departments, the insurance industry and NGOs are also invited to participate and share in these sessions. In 2018, LD organised 12 experience sharing sessions for employers;
- (f) ***Online job interviews.*** LD provides online job interview services at job centres to allow employers to conduct preliminary interviews with job seekers online. In 2018, the 13 job centres arranged 59 online job interviews for job seekers;
- (g) ***Job fairs.*** Job centres organise district-based job fairs to facilitate placements of job seekers in the vicinity of their residences. In 2018, the 13 job centres organised 958 job fairs. Three recruitment centres also organise industry-based job fairs for employers of related industries, and provide venues for the employers and job seekers to have job interviews on the spot. In 2018, the three recruitment centres organised 666 job fairs; and

## **General employment services for all job seekers**

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- (h) ***Canvassing job vacancies and monitoring the vacancies advertised through LD.*** Job centres liaise and network with employers in the district to canvass job vacancies for job seekers, as well as handle enquiries and complaints from job seekers and the public on the job vacancies advertised through LD.

2.3 ***Telephone Employment Service Centre.*** LD's Telephone Employment Service Centre provides telephone employment service to job seekers. Registered job seekers may call the Telephone Employment Service Centre for job referral service. Through conference calls, staff of the Centre can make arrangement for job seekers to talk to employers direct. In 2018, the Telephone Employment Service Centre handled 21,193 telephone calls from job seekers and made 17,430 job referrals, and recorded 472 direct placements through LD's referral service.

2.4 ***Job Vacancy Processing Centre.*** Free recruitment services are provided to employers. Employers may send their information on their vacancies to LD's Job Vacancy Processing Centre by fax or through the Internet. The vacancy information is then disseminated through the 13 job centres, three industry-based recruitment centres, iES website and iES mobile app, and vacancy search terminals. The total number of private-sector job vacancies posted up by LD in 2018 was 1,468,394.

2.5 In 2018, through the services provided by the 13 job centres, 3 industry-based recruitment centres and the Telephone Employment Service Centre, LD arranged 72,515 job referrals, which led to 7,787 direct placements.



### ***Changing needs of job seekers***

2.6 According to LD:

- (a) with the increasing number of job seekers using mobile devices to seek jobs and the fact that the vast majority of vacancies advertised through LD provided employers' contact details for direct application by job seekers, all job seekers, including those who are not registered with LD, may obtain job vacancy information through LD's various channels and make direct applications to employers. More and more job seekers may make job applications to employers directly, without going through LD's referrals; and
- (b) the arrangement of allowing employers to choose to open up their contact details for job seekers' direct application and not requiring job seekers to first register with LD before browsing the vacancy information and applying for the job not only can enhance the efficiency in disseminating job vacancy and labour market information, but also is more user-friendly for both job seekers and employers. Nevertheless, such user-friendly arrangement for job seekers and employers, coupled with the falling number of unemployed persons amidst the tight labour market, might result in the decrease in the number of registered job seekers with LD and the number of direct placements through LD's referrals.

In this regard, Audit noted that there had been changes in how job seekers made use of the employment services provided by LD in recent years. Details are discussed in paragraphs 2.7 to 2.20.

### ***Decreasing number of registered job seekers***

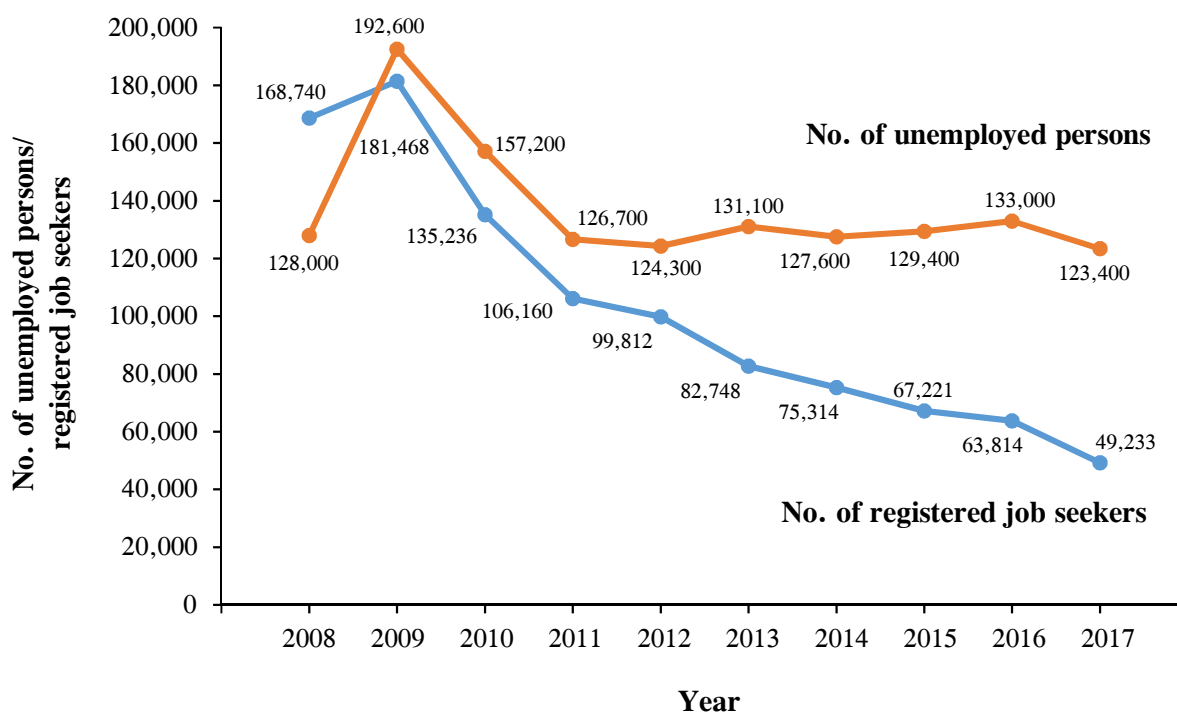
2.7 LD reports the number of registered job seekers in the Controlling Officer's Report (COR) as one of the performance indicators. After registration with LD, a job seeker may receive various employment services such as employment advisory service, job referral service and telephone employment service. Registration is free of charge and is valid for three months. After the expiry of the registration, the job seekers may re-register if they would like to continue to receive these employment services.

## General employment services for all job seekers

2.8 Audit analysed the number of unemployed persons and the number of LD's registered job seekers in Hong Kong in the period from 2008 to 2017. Audit noted that, 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 (see Figure 1). This might suggest that more and more job seekers chose not to register with LD.

Figure 1

Number of unemployed persons and registered job seekers  
(2008 to 2017)



Source: LD records and statistics of the Census and Statistics Department

Remarks: Not all registered job seekers were unemployed persons.

2.9 While appreciating LD's efforts in facilitating the job seekers and employers, in view of the substantial decrease in the number of registered job seekers in recent years, Audit considers that LD needs to review whether the employment services provided to the registered job seekers meet their needs and, in light of the results of the review, rationalise the employment services provided to registered job seekers and non-registered job seekers to better meet their needs.

## **General employment services for all job seekers**

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2.10 Audit noted that the number of registered job seekers was one of the performance indicators reported in the COR. Since the number of job seekers using mobile devices to seek jobs is increasing and they may make direct applications to employers without registering with LD (see para. 2.6(a)), it appears that the number of registered job seekers is no longer a good indicator to reflect the performance of LD. Audit considers that LD needs to review the appropriateness of using the number of registered job seekers as a key performance indicator in COR.

### ***Decreasing number of job referrals and direct placements through LD's referrals***

2.11 LD produces monthly report on key statistics on employment services, including:

- (a) ***Number of job referrals.*** The number of job referrals includes:
  - (i) referrals through job centres (including referrals through job referral service, employer-based job placement service, online job interviews and district-based job fairs) and industry-based recruitment centres (i.e. on-the-spot interviews arranged in industry-based job fairs); and
  - (ii) referrals through the Telephone Employment Service Centre; and
- (b) ***Number of placements.*** The number of placements includes:
  - (i) direct placements (i.e. through LD's referrals); and
  - (ii) indirect placements (i.e. placements made by direct application to employers by job seekers without going through LD's referrals).

## General employment services for all job seekers

2.12 Audit analysed the numbers of job referrals and direct placements through LD's referrals for registered job seekers from 2014 to 2018 and noted that:

- (a) the total number of job referrals decreased by 59,354 (45%) from 131,869 in 2014 to 72,515 in 2018. In particular, the number of job referrals arranged by the job centres and recruitment centres decreased by 50,069 (47.6%) from 105,154 in 2014 to 55,085 in 2018 (see Table 3); and

**Table 3**  
**Number of job referrals**  
**(2014 to 2018)**

Year	Job referrals		
	Job centres and recruitment centres (No.)	Telephone Employment Service Centre (No.)	Total (No.)
2014	105,154	26,715	131,869
2015	93,719	28,388	122,107
2016	95,955	30,255	126,210
2017	78,632	26,295	104,927
2018	55,085	17,430	72,515
Change from 2014 to 2018	-50,069 (-47.6%)	-9,285 (-34.8%)	-59,354 (-45.0%)

Source: *Audit analysis of LD records*

- (b) the number of direct placements through LD's referrals for registered job seekers decreased by 7,415 (48.8%) from 15,202 in 2014 to 7,787 in 2018 (see Table 4).

## General employment services for all job seekers

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Table 4

**Number of direct placements through LD's referrals  
(2014 to 2018)**

Year	Direct placements through LD's referrals		
	Job centres and recruitment centres (No.)	Telephone Employment Service Centre (No.)	Total (No.)
2014	14,208	994	15,202
2015	13,122	918	14,040
2016	11,653	855	12,508
2017	9,104	741	9,845
2018	7,315	472	7,787
Change from 2014 to 2018	-6,893 (-48.5%)	-522 (-52.5%)	-7,415 (-48.8%)

Source: *Audit analysis of LD records*

2.13 In response to Audit enquiry, LD informed Audit in February 2019 that:

- (a) since job seekers could secure an employment either through LD's referrals or by making direct application to employers after identifying suitable vacancies advertised through LD, the number of placements achieved by LD consisted of two components, namely direct placements through LD's referrals and indirect placements without going through LD's referrals;
- (b) with the vast majority of vacancies advertised through LD providing employers' contact details and with the increasing number of job seekers using mobile devices to seek jobs, more and more job seekers might make job applications to employers directly, without going through LD's referrals; and

## **General employment services for all job seekers**

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- (c) while the total number of placements achieved by LD stayed quite steady in recent years, with such user-friendly arrangement for job seekers and employers, the number of direct placements through LD's referrals was on the decline which accounted for the lower percentage of the total number of placements achieved by LD. Direct placements through LD's referrals only accounted for less than 10% of the total placements achieved by LD in recent years.

2.14 Indirect placements were secured by job seekers making applications to the employers directly without using job referral services provided by LD staff at job centres, recruitment centres and Telephone Employment Service Centre (i.e. matching and finding suitable jobs in accordance with job seekers' individual needs and preferences and arranging interviews). As the number of direct placements through LD's referrals was on the decline (see Table 4 in para. 2.12 and para. 2.13(c)), Audit considers that LD needs to review the cost-effectiveness of and the need to rationalise the services provided by the job centres, recruitment centres and Telephone Employment Service Centre.

### ***Decreased number of visitors to job centres and a recruitment centre***

2.15 LD operates 13 job centres and 3 industry-based recruitment centres. As at 31 December 2018, the 13 job centres had 182 staff and the 3 industry-based recruitment centres had 30 staff. The 13 job centres and the 3 recruitment centres occupy a total floor area of 7,322.8 square metres (m<sup>2</sup>), ranging from 301 m<sup>2</sup> to 1,082 m<sup>2</sup>. Audit analysed the number of visitors of the 13 job centres and 3 recruitment centres for the period from 2016 to 2018 and noted that:

- (a) the number of visitors of 13 job centres decreased by 69,350 (18%) from 381,762 in 2016 to 312,412 in 2018;
- (b) 12 of the 13 job centres recorded a decrease in the number of visitors. The percentage of decrease ranged from 3% in Tai Po Job Centre to 34% in EOS;
- (c) the number of visitors of CIRC, which commenced operation in January 2016, decreased by 2,114 (12%) from 18,181 in 2016 to 16,067 in 2018; and

## General employment services for all job seekers

- (d) RCCI and RCRI, which commenced operation in February 2009 and June 2010 respectively, did not keep statistics on the number of visitors (see Table 5).

**Table 5**  
**Number of visitors of job centres and recruitment centres**  
**(2016 to 2018)**

Job Centre/ Recruitment Centre		2016	2017	2018	Increase/decrease from 2016 to 2018
<b>(A) Job Centre</b>					
<i>Hong Kong</i>					
1.	Hong Kong East	21,874	20,952	16,335	-5,539 (-25%)
2.	Hong Kong West	13,462	12,062	9,164	-4,298 (-32%)
3.	North Point	17,026	14,729	12,636	-4,390 (-26%)
<i>Kowloon</i>					
4.	Kowloon East	23,875	18,564	15,964	-7,911 (-33%)
5.	Kowloon West	54,856	50,871	49,832	-5,024 (-9%)
6.	Kwun Tong	41,813	36,737	34,996	-6,817 (-16%)
<i>New Territories</i>					
7.	Shatin	19,611	26,818	20,105	+494 (+3%)
8.	Tung Chung	22,754	20,308	16,983	-5,771 (-25%)
9.	Tsuen Wan	34,847	30,937	29,115	-5,732 (-16%)
10.	Tai Po	19,632	17,589	19,053	-579 (-3%)
11.	Tuen Mun	28,798	23,521	25,997	-2,801 (-10%)
12.	Sheung Shui	24,539	24,638	23,386	-1,153 (-5%)
13.	EOS	58,675	49,801	38,846	-19,829 (-34%)
Total for (A)		381,762	347,527	312,412	-69,350 (-18%)
<b>(B) Recruitment Centre</b>					
1.	RCCI	Not available (Note)			
2.	RCRI				
3.	CIRC	18,181	20,856	16,067	-2,114 (-12%)

Source: Audit analysis of LD records

Note: In response to Audit enquiry, LD informed Audit in March 2019 that RCCI and RCRI had kept statistics on the number of visitors since January 2019.

## General employment services for all job seekers

2.16 In January and February 2019, Audit conducted a site visit to each of the four job centres (Shatin Job Centre, Kowloon East Job Centre, North Point Job Centre and Hong Kong East Job Centre) and a recruitment centre (RCRI), and noted that there were not many visitors (see Photographs 1 and 2).

### **Photograph 1**

#### **Hong Kong East Job Centre**



*Source: Photograph taken by Audit at 3:17 pm on 26 February 2019 (Tuesday)*



**Photograph 2**

**RCRI**



*Source: Photograph taken by Audit at 3:25 pm on 26 February 2019 (Tuesday)*

2.17 In response to Audit enquiry, LD informed Audit in February 2019 that owing to the low unemployment rates and buoyant economy, the labour market of Hong Kong continued to be tight. Coupled with LD's arrangement of allowing employers to choose to open up their contact details for job seekers' direct application without going through LD's referrals, fewer job seekers needed to visit job centres and recruitment centres in person to seek employment in recent years.

2.18 Audit considers that LD needs to explore measures to address the issue of decreasing number of visitors to job centres and recruitment centres.

***Need to conduct a comprehensive review on general employment services***

- 2.19 The needs of job seekers have changed, as evidenced by:
- (a) the decrease in the number of registered job seekers;
  - (b) the decrease in the number of job referrals and direct placements; and
  - (c) the decrease in the number of visitors to job centres and recruitment centres.
- 2.20 Audit considers that LD needs to conduct a comprehensive review on the general employment services with a view to addressing the issues.

**Audit recommendations**

- 2.21 **Audit has *recommended* that the Commissioner for Labour should conduct a comprehensive review on the general employment services. In particular, the Commissioner for Labour should:**
- (a) **review whether the employment services provided to the registered job seekers meet their needs and in the light of the results of the review, rationalise the employment services provided to registered job seekers and non-registered job seekers to better meet their needs;**
  - (b) **review the appropriateness of using the number of registered job seekers as a key performance indicator in COR;**
  - (c) **review the cost-effectiveness of and the need to rationalise the services provided by the job centres, recruitment centres and Telephone Employment Service Centre; and**
  - (d) **explore measures to address the issue of decreasing number of visitors to job centres and recruitment centres.**

### Response from the Government

2.22 The Commissioner for Labour agrees with the audit recommendations. He has said that:

- (a) owing to buoyant economy and the low unemployment rate, which dropped from 3.4% in 2016 to 3.1% in 2017 and fell further in the first half of 2018 to a 20-year low of 2.8%, the labour market exhibited significant tightening in the past couple of years; and
- (b) LD will keep close watch of the changes in the economy and strive to provide appropriate employment services to cater for the changing needs of both job seekers and employers under different labour market situations.

### Job fairs

2.23 LD organises district-based and industry-based job fairs through its 13 job centres and 3 recruitment centres respectively to facilitate job seekers and employers to meet and communicate direct. Interview facilities are available for employers to conduct on-the-spot interviews with registered job seekers during the job fairs. In 2018, the 13 job centres and 3 recruitment centres organised 958 district-based job fairs and 666 industry-based job fairs respectively.

2.24 LD also organises large-scale job fairs, including thematic job fairs for EM and middle-aged/elderly job seekers, and job fairs for specific group of employers such as the retail industry and the rehabilitation industry. In 2018, LD organised 19 large-scale job fairs, including 2 thematic job fairs for EM job seekers, 4 for middle-aged/elderly job seekers and 2 for the rehabilitation industry. Unlike district-based and industry-based job fairs, due to the large number of visitors, job seekers attending large-scale job fairs are not required to register before making job applications.

***Need to review the effectiveness of district-based job fairs and industry-based job fairs***

2.25 ***District-based job fairs.*** LD’s job centres organise district-based job fairs to assist employers in recruitment of staff. At job fairs, the employer’s representative interviews the job seekers at job centre. Audit analysed the number of interviews arranged and placements secured in district-based job fairs held in the period from 2016 to 2018 and noted that:

- (a) the average number of interviews arranged in each job fair was not high (i.e. 43 in 2016, 33 in 2017 and 26 in 2018); and
- (b) the average number of placements secured in each job fair was only 5 in 2016, 4 in 2017 and 3 in 2018 (see Table 6).

**Table 6**

**Interviews arranged and placements secured in district-based job fairs (2016 to 2018)**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
No. of job fairs held (a)	960	946	958
No. of vacancies available (b)	210,026	198,518	224,362
No. of interviews arranged (c)	41,166	30,746	24,877
No. of placements secured (d)	4,590	3,620	3,227
Average no. of interviews arranged in each job fair (e) = (c) ÷ (a)	43	33	26
Average no. of placements secured in each job fair (f) = (d) ÷ (a)	5	4	3

*Source: Audit analysis of LD records*

## General employment services for all job seekers

2.26 In Audit's view, LD needs to consider reviewing the effectiveness of the district-based job fairs in securing placements for job seekers and employers.

2.27 *Industry-based job fairs.* RCCI, RCRI and CIRC was set up in February 2009, June 2010 and January 2016 respectively to provide employers and job seekers in the respective industries with one-stop and on-the-spot recruitment services. Catering, retail and construction establishments may apply to stage job fairs in RCCI, RCRI and CIRC respectively for on-the-spot recruitment. Job seekers can submit applications and attend interviews with recruiting employers at the dedicated recruitment centres. Audit analysed the industry-based job fairs held by the three recruitment centres in 2018 and noted that:

- (a) the average number of interviews arranged in each job fair for RCCI was 20, which was lower than that of RCRI (34 interviews arranged) and CIRC (27 interviews arranged); and
- (b) the average number of placements secured in each job fair for RCCI, RCRI and CIRC was 3, 8 and 2 respectively (see Table 7).

**Table 7**

**Job fairs organised by recruitment centres  
(2018)**

	<b>RCCI</b>	<b>RCRI</b>	<b>CIRC</b>
No. of job fairs held (a)	244	245	177
No. of job vacancies involved (b)	87,451	72,111	13,642
No. of interviews arranged (c)	4,796	8,371	4,866
No. of placements secured (d)	788	1,844	344
Average no. of interviews arranged in each job fair (e)=(c)÷(a)	20	34	27
Average no. of placements secured in each job fair (f)=(d)÷(a)	3	8	2

Source: Audit analysis of LD records

## **General employment services for all job seekers**

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2.28 As the main service provided in the recruitment centres is to organise job fairs for employers of their respective industries, the small number of placements secured from the job fairs might indicate that the job fairs were not attractive to the job seekers. In response to Audit enquiry on the effectiveness of the industry-based job fairs for employers and job seekers in securing placements, LD informed Audit in February 2019 that:

- (a) the three industries concerned all along had their respective recruitment difficulties;
- (b) among these three industries, the employment terms and conditions of the catering industry were in general less attractive, and as a result, job fairs of RCCI attracted the lowest number of job seekers;
- (c) in general, the waiting time for employers to stage job fairs in RCCI and RCRI was maintained at three to six months, showing that job fairs held by these two recruitment centres were considered to be effective by employers of these two industries; and
- (d) CIRC only commenced operation in 2016 and more time was required for it to build up its client-base and change the culture of the construction industry from recruiting through personal referrals to open recruitment through CIRC.

2.29 In Audit's view, LD needs to consider reviewing the effectiveness of the industry-based job fairs in securing placements for job seekers and employers.

### **Audit recommendation**

2.30 **Audit has recommended that the Commissioner for Labour should consider reviewing the effectiveness of the district-based job fairs and the industry-based job fairs in securing placements for job seekers and employers.**

### Response from the Government

2.31 The Commissioner for Labour agrees with the audit recommendation. He has said that:

- (a) to better cater for those employers with urgent or special recruitment needs, LD has put in place flexible arrangements in organising recruitment activities for meeting their needs;
- (b) with the prevailing tight labour market situation, employers in general considered district-based job fairs organised by LD as an effective channel for them to recruit staff as evidenced by the keen participation of employers in the event. Employers need to wait for three to six months before they can take part in a district-based job fair; and
- (c) noting employers' strong demand for manpower and the relatively limited labour supply at the current 20-year low unemployment situation, LD will strive to provide appropriate employment services to cater for the changing needs of both job seekers and employers under different labour market situations.

### iES

2.32 iES website was launched in March 1999 to provide job vacancy and employment information to job seekers, while employers can submit and publicise job vacancy information through the iES website. LD also launched an iES mobile app in January 2012, providing an additional online channel for job seekers to search for suitable vacancies from the job vacancy database of LD. LD informed Audit in February 2019 that:

- (a) continuous enhancements were being made to iES website and iES mobile app to improve user experience and facilitate their obtaining of required information and online services. For instance, various dedicated webpages for different special needs groups or industries were set up or enriched over the past few years to provide more comprehensive employment information to the respective target groups; and

## **General employment services for all job seekers**

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- (b) since April 2017, the iES mobile app had launched a new function of sending push notifications on newly posted job vacancies that matched individual users' pre-set job search criteria and upcoming job fairs. The subscribers were no longer required to visit the iES website or mobile app constantly to check the latest vacancies published or new job fairs organised by LD.

### ***Decreasing number of visits and number of page views of iES website***

2.33 Audit analysed the number of visits and page views of iES website for the period from 2014 to 2018 and noted that:

- (a) the number of visits to iES website decreased by 8 million (40%) from 20 million in 2014 to 12 million in 2018; and
- (b) the number of iES website page views decreased by 81 million (29%) from 283 million in 2014 to 202 million in 2018 (see Table 8).



## General employment services for all job seekers

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Table 8

**Number of visits and page views of iES website  
(2014 to 2018)**

<b>Year</b>	<b>No. of visits (Note 1) (million)</b>	<b>No. of page views (Note 2) (million)</b>
2014	20	283
2015	18	248
2016	17	224
2017	16	211
2018	12	202
Decrease from 2014 to 2018	-8 (-40%)	-81 (-29%)

*Source: Audit analysis of LD records*

*Note 1: A visit is an activity, from beginning to end, of one visitor to a website. If a visitor is idle longer than the idle-time limit (30 minutes), the system assumes the visit is voluntarily terminated. If the visitor continues to browse the website after reaching the idle-time limit, a new visit is counted.*

*Note 2: A page view is the result of a request for a particular webpage.*

2.34 According to LD, the main reasons for the decrease in the number of visits and page views to iES website were the increasing use of smartphones and mobile devices in Hong Kong and the generally tight labour market with fewer unemployed persons over the past years. In this regard, Audit also analysed the number of access to iES mobile app and noted that the number of access increased by 1 million (1%) from 144 million in 2014 to 145 million in 2018 (see Table 9).

**Table 9**

**Number of access to iES mobile app  
(2014 to 2018)**

<b>Year</b>	<b>No. of access to iES mobile app (Note) (million)</b>
2014	144
2015	145
2016	155
2017	156
2018	145
Increase from 2014 to 2018	+1 (+1%)

*Source: Audit analysis of LD records*

*Note: This refers to the number of requests sent to the web server for conducting job search or browsing job fair information, or using the associated functions.*

2.35 Audit noted that both iES website and iES mobile app provided job search function for job seekers to search for vacancies by job type, position, industry, work location, salary range and job nature. They also provided information on the details of job fairs to be organised. However, there was some useful information provided on iES website which was not available on iES mobile app, for example, job hunting briefcase which provided template for application letter and Curriculum Vitae, interview techniques, etc. In view of the increasing number of access to iES mobile app and the decreasing number of visits to iES website, LD needs to consider providing more essential and useful information on iES mobile app to meet job seekers' needs.

### Audit recommendations

- 2.36 **Audit has recommended that the Commissioner for Labour should:**
- (a) **continue to make necessary enhancements to iES website to strengthen the design and functionality of the website with a view to making the provision of information and services more efficient and improving user experience; and**
  - (b) **consider providing more essential and useful information on iES mobile app to meet job seekers' needs.**

### Response from the Government

2.37 The Commissioner for Labour agrees with the audit recommendations. He has said that:

- (a) LD will continue to enhance iES website and iES mobile app; and
- (b) as announced in the 2018 Policy Address, LD will strengthen the dissemination of job vacancy information via these platforms so as to more effectively assist job seekers in finding jobs and employers in recruiting workers.

### Performance measurement

2.38 LD reports two performance indicators in COR to measure the effectiveness of its employment service for able-bodied job seekers:

- (a) number of persons registered; and
- (b) number of placements.

In the 2018-19 COR, LD reported that in 2017, there were 49,233 able-bodied job seekers registered with LD and 154,222 placements were made.

***Need to disclose the number of direct and indirect placements separately***

2.39 Since July 1998, employers who place vacancy orders with LD can choose to disclose their contact details for job seekers to make direct application. Job seekers do not need to register at job centres and can make self-arrangement according to the application method specified in the vacancy information. Since 1998, the number of placements had included:

- (a) direct placements (i.e. placements secured through LD's referrals); and
- (b) indirect placements (i.e. placements made by direct application to employers without LD's referrals). The number of indirect placements was derived from LD's surveys with employers. Only a fraction of the placement indirectly made will be regarded as placements of LD if the employer posted the vacancy in more than one channel. For example, an indirect placement made for a vacancy that had been posted on two recruitment channels by employers would be counted as  $\frac{1}{2}$  indirect placement.

LD only reported the total number of placements in COR, without disclosing the details of direct and indirect placements.

2.40 In the 2018-19 COR, LD reported that 154,222 placements were made in 2017. Audit noted that the 154,222 placements reported by LD comprised:

- (a) 9,845 (6%) direct placements; and
- (b) 144,377 (94%) indirect placements.

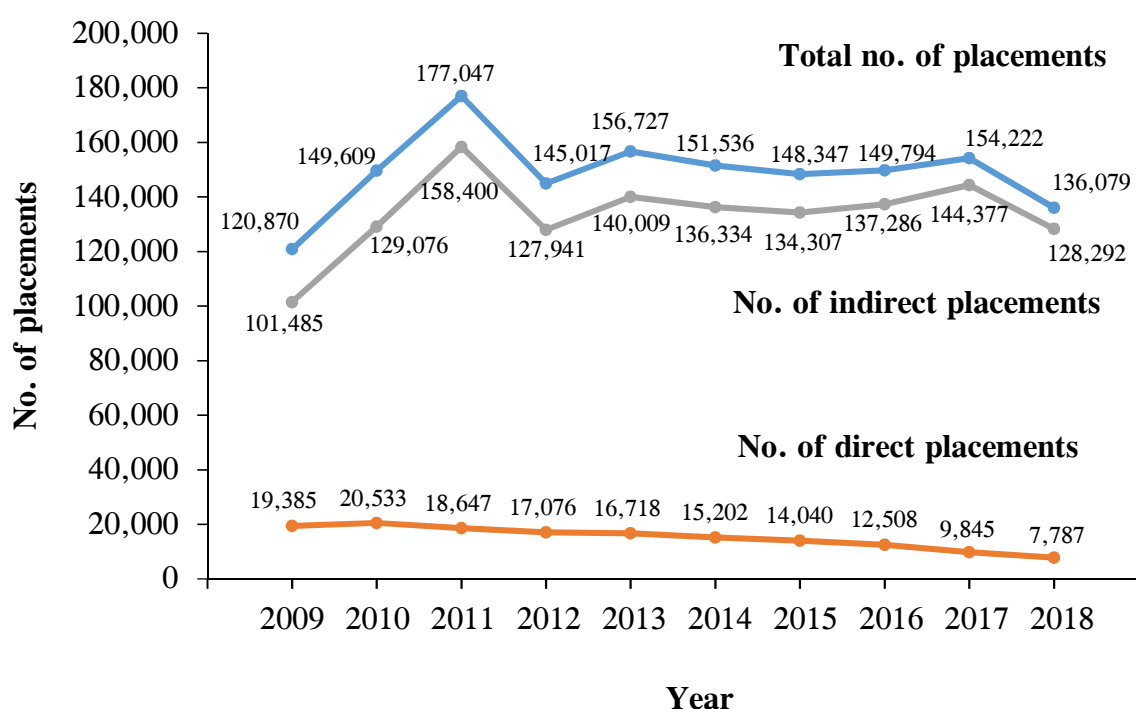
## General employment services for all job seekers

2.41 Audit analysed the number of placements (see Figure 2 and Table 10) in the period from 2009 to 2018 and noted that:

- the number of indirect placements accounted for a high percentage of total placements during the period, ranging from 84% to 94%; and
- the number of total placements increased by 15,209 (13%) from 120,870 in 2009 to 136,079 in 2018. The increase was wholly attributed to the increase in indirect placement. The number of indirect placement increased by 26,807 (26%) from 101,485 in 2009 to 128,292 in 2018. On the other hand, the number of direct placements decreased by 11,598 (60%) from 19,385 in 2009 to 7,787 in 2018 (see Table 10).

**Figure 2**

**Number of placements of able-bodied job seekers  
(2009 to 2018)**



Source: Audit analysis of LD records

## General employment services for all job seekers

**Table 10**

**Number of placements  
(2009 to 2018)**

Year	Direct placements (No.)	Indirect placements (No.)	Total (No.)
2009	19,385 (16%)	101,485 (84%)	120,870 (100%)
2010	20,533 (14%)	129,076 (86%)	149,609 (100%)
2011	18,647 (11%)	158,400 (89%)	177,047 (100%)
2012	17,076 (12%)	127,941 (88%)	145,017 (100%)
2013	16,718 (11%)	140,009 (89%)	156,727 (100%)
2014	15,202 (10%)	136,334 (90%)	151,536 (100%)
2015	14,040 (9%)	134,307 (91%)	148,347 (100%)
2016	12,508 (8%)	137,286 (92%)	149,794 (100%)
2017	9,845 (6%)	144,377 (94%)	154,222 (100%)
2018	7,787 (6%)	128,292 (94%)	136,079 (100%)
Increase/decrease from 2009 to 2018	-11,598 (-60%)	+26,807 (+26%)	+15,209 (+13%)

*Source: Audit analysis of LD records*

2.42 In response to Audit enquiry, LD informed Audit in February 2019 that:

- (a) application by job referral through LD might not be the most efficient and preferred means for job seekers in general to seek employment and employers to recruit staff; and
- (b) the number of direct placements should no longer be the sole performance indicator to measure the effectiveness of employment services provided by LD.

## **General employment services for all job seekers**

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2.43 To enhance transparency, Audit considers that LD needs to separately disclose in COR the number of direct placements through LD's referrals and indirect placements without going through LD's referrals, and disclose the calculation method of indirect placements. Moreover, if LD considers that the number of direct placements through LD's referrals should no longer be the sole performance indicator to measure the effectiveness of employment services provided by LD (see para. 2.42(b)), Audit considers that LD needs to consider the need to revise its performance indicators to better measure the effectiveness of employment services provided by LD.

### **Audit recommendations**

2.44 **Audit has recommended that the Commissioner for Labour should:**

- (a) **separately disclose in COR the number of direct placements through LD's referrals and indirect placements without going through LD's referrals, and disclose the calculation method of indirect placements; and**
- (b) **consider the need to revise LD's performance indicators to better measure the effectiveness of employment services provided by it.**

### **Response from the Government**

2.45 The Commissioner for Labour agrees with the audit recommendations. He has said that in the replies given to the Finance Committee of the Legislative Council in relation to the COR, he has explained that the number of placements also included indirect placements and how these indirect placements were arrived at.

## **PART 3: DEDICATED EMPLOYMENT SERVICES FOR JOB SEEKERS WITH SPECIAL NEEDS**

3.1 This PART examines the dedicated employment services of LD for job seekers with special needs.

### ***Background***

3.2 LD provides dedicated employment services for different groups of job seekers with special needs as follows:

- (a) ***Young job seekers.*** LD's YETP provides customised training and employment support services for young school leavers aged 15 to 24 with educational attainment at sub-degree level or below. For young people aged between 15 and 29, one-stop advisory and support services are provided at two youth employment resource centres (i.e. Y.E.S.);
- (b) ***Elderly and middle-aged job seekers.*** LD provides dedicated employment services for the elderly and middle-aged job seekers through setting up special counters at job centres, organising employment briefings, and setting up a dedicated webpage under iES website. Furthermore, LD implements EPEM to encourage employers to engage unemployed job seekers aged 40 or above and provide the job seekers with OJT, through the provision of training allowance to employers;
- (c) ***EM job seekers.*** LD's job centres provide dedicated services for EM job seekers through special counters, resource corners, employment briefings, etc. Interpretation services are also arranged for job seekers who are not proficient in Chinese and English; and
- (d) ***Job seekers with disabilities.*** Personalised employment services are provided for job seekers with disabilities who are fit for open employment. Job seekers with disabilities are provided with employment counselling, job matching and referral and post-placement follow-up services. LD also implements WOPS to encourage employers to offer job vacancies and work orientation period to persons with disabilities through the provision of financial incentive.



## **Dedicated employment services for job seekers with special needs**

Details of the audit findings on dedicated employment services for job seekers with special needs are shown in:

- (a) PART 3A — Employment services for young job seekers (paras. 3.3 to 3.36);
- (b) PART 3B — Employment services for elderly and middle-aged job seekers (paras. 3.37 to 3.62);
- (c) PART 3C — Employment services for ethnic minority job seekers (paras. 3.63 to 3.80); and
- (d) PART 3D — Employment services for job seekers with disabilities (paras. 3.81 to 3.118).

## **PART 3A: EMPLOYMENT SERVICES FOR YOUNG JOB SEEKERS**

3.3 This PART examines the employment services for young job seekers, focusing on the following areas:

- (a) YETP (paras. 3.5 to 3.26); and
- (b) Y.E.S. (paras. 3.27 to 3.36).

### ***Background***

3.4 In the period from 2008 to 2017, the unemployment rates of young people aged 15 to 24 and 25 to 29 ranged from 8.4% to 12.6% and 3% to 4.8% respectively (see Table 1 in para.1.4). The unemployment rates of young people aged 15 to 24 were significantly higher than the overall unemployment rate for persons aged 15 and over. In 2017, the unemployment rates of 8.5% for those aged 15 to 24 and 4.2% for those aged 25 to 29 were higher than the overall unemployment rate of 3.1%. To enhance the employability of young people, LD administers YETP and operates two youth employment resource centres known as Y.E.S.

### **YETP**

3.5 YETP aims to provide a comprehensive platform of job search with one-stop and diversified PET and OJT opportunities for young people aged 15 to 24 with educational attainment at sub-degree level or below. It enables young people to better understand themselves and their work aptitudes while enriching their job skills and experience so as to enhance their employability.

## Employment services for young job seekers

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3.6 Trainees can join YETP at any time of a year and are provided with the following support and training for 12 months:

- (a) **Case management services.** Trainees are provided with personalised career guidance, job search assistance, training and post-employment support by professional social workers as case managers in the form of 12 months' case management services. Upon expiry of the first 12 months' case management services (basic period), trainees who have secured employment may receive extended case management services for another 12 months, so as to better assist them to settle in their jobs, overcome problems at workplaces and pursue further learning and skills upgrading opportunities;
- (b) **PET courses.** PET courses comprise:
  - (i) **Core course.** 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 had participated in YETP before may also enrol on this course on case managers' recommendation;
  - (ii) **Elective courses.** Trainees can choose a maximum of five elective courses from Discipline and Motivation Training, Computer Application Training and Job-specific Skills Training in the 12-month basic period; and
  - (iii) **Tailor-made training courses.** From time to time, YETP organises special projects with tailor-made training courses to suit the specific needs of trainees and employers;

Trainees will receive a training allowance at a rate of \$70 per training day if they have an attendance rate of not less than 80% in a course (Note 3);

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**Note 3:** *The amount of training allowance payable to a trainee for attending training courses was \$30 per training day for the period from 1 September 2009 to 31 August 2013. The allowance was increased to \$50 for the period from 1 September 2013 to 31 August 2017 and further increased to \$70 with effect from 1 September 2017.*

## **Employment services for young job seekers**

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- (c) **Workplace attachment training.** Trainees may undergo a one-month workplace attachment training. There is no employment relationship between the trainees and the hosting organisations. An allowance of \$4,500 is payable to a trainee who has completed the workplace attachment training with an attendance rate of 80% or above (Note 4); and
  
- (d) **OJT.** Trainees are engaged as employees under full-time or part-time OJT of 6 to 12 months with salary. Employers appoint staff with relevant work experience to act as mentors and provide appropriate guidance at work. Employers who engage trainees as paid employees in full-time or part-time OJT may apply for a monthly OJT allowance. The amount of such allowance 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 (Note 5). 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.

Case management services and training courses are outsourced to NGOs and training institutions as training bodies. In the programme year (Note 6) 2017/18, there were 31 training bodies and 4,694 trainees.

3.7 In the financial year 2017-18, the expenditure of YETP was \$83.3 million, including \$54.5 million of training subsidy paid to employers for OJT and \$16.6 million of course fees and case management service fees paid to training bodies.

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**Note 4:** *The amount of workplace attachment training allowance payable to a trainee was \$2,000 for the period from 1 September 2009 to 31 May 2013. The allowance was increased to \$3,000 for the period from 1 June 2013 to 31 August 2017 and further increased to \$4,500 with effect from 1 September 2017.*

**Note 5:** *The amount of OJT allowance payable to an employer was \$2,000 per month from 1 September 2009 to 31 May 2013. The ceiling of the allowance was increased to \$3,000 per month for employers who engaged trainees with monthly salary of \$6,000 or above for the period from 1 June 2013 to 31 August 2018. The scope of YETP was expanded to cover part-time OJT and the allowance was further increased to 50% of the monthly salary of the trainee during the training period, up to a maximum amount of \$4,000 with effect from 1 September 2018.*

**Note 6:** *A programme year starts on 1 September of a year and ends on 31 August of the following year.*

## **Employment services for young job seekers**

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3.8 To ascertain the effectiveness of YETP in enhancing the trainees' employability and assisting them to pursue career goals, LD conducts a Trainee Development Survey biannually on trainees who have enrolled under YETP and completed the 12-month support services. According to LD, over the years, the survey results indicated consistently that over 70% of the surveyed trainees were in employment. Another 15% to 19% were either awaiting to take up a new job, studying or participating in training programmes.

### ***Decreased number of YETP trainees***

3.9 According to LD:

- (a) the number of trainees enrolled under YETP was demand-led and was affected by various factors including the economic and labour market conditions. With the overall unemployment rate staying at a low level, a buoyant labour market, increased employment opportunities and an ageing labour force, it had become easier for young people to secure employment on their own in recent years; and
- (b) factors such as increased education and training channels for secondary school graduates and continued decrease in the relevant age cohort had reduced the demand for YETP.

3.10 Audit noted that in the past six years from 2012 to 2017, the overall unemployment rates of young people aged 15 to 24 stayed at a high level (ranging from 8.5% to 10.5%). While 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 YETP decreased by 42% from 8,095 in the programme year 2012/13 to 4,694 in the programme year 2017/18 (see Table 11).

## Employment services for young job seekers

**Table 11**

**Unemployment rates of young people, number of target young people  
and number of YETP trainees  
(2012/13 to 2017/18)**

Calendar year	Unemployment rates of young people aged 15 to 24	No. of target young people (a)	Programme year	No. of YETP trainees (b)	Proportion of target young people joining YETP (c) = (b) ÷ (a) × 100%
2012	9.3%	22,000	2012/13	8,095	36.8%
2013	9.5%	23,100	2013/14	7,753	33.6%
2014	9.2%	20,900	2014/15	6,741	32.3%
2015	10.5%	20,900	2015/16	6,165	29.5%
2016	9.8%	20,000	2016/17	5,720	28.6%
2017	8.5%	16,200	2017/18	4,694	29.0%

*Source: Audit analysis of LD records and statistics of the Census and Statistics Department*

3.11 In response to Audit enquiry, LD informed Audit in February 2019 that among the unemployed young people aged 15 to 24, those with educational attainment at sub-degree level or below decreased by 22.5% from 20,900 in 2015 to 16,200 in 2017. Figures showed that the 4,694 YETP trainees in programme year 2017/18 accounted for around 29% of the 16,200 target young people in year 2017.

3.12 Audit considers that LD needs to review whether YETP meets the needs of young job seekers in finding jobs and ascertain the reasons why the number of trainees of YETP has been on a decreasing trend despite the relatively high unemployment rate for young people aged 15 to 24.

## Employment services for young job seekers

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### *Need to reduce number of cancelled training courses*

3.13 The total number of training classes awarded and the minimum number of training hours per training class for each of the course types of PET courses are specified in the service contracts with the training bodies. Services fees paid to the training bodies are based on the number of trainees who have attended the courses organised.

3.14 According to LD, it has become more difficult for the service providers to successfully commence the training classes given the downward trend of the enrolment of YETP trainees in recent years. A PET course will be cancelled if the enrolment falls below the minimum number approved by LD and LD needs not pay the service fee to the training body. In programme years 2015/16, 2016/17 and 2017/18, 656, 459 and 446 PET courses were arranged by training bodies respectively. However, more than 50% of the courses arranged were cancelled due to insufficient enrolment of trainees (see Table 12). In particular, all training courses (i.e. a total of 40 courses) arranged by three of the training bodies were cancelled in programme years 2016/17 and 2017/18.

**Table 12**

**Analysis of number of YETP PET courses cancelled and held  
(2015/16 to 2017/18)**

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Courses cancelled	424 (65%)	255 (56%)	287 (64%)
Courses held	232 (35%)	204 (44%)	159 (36%)
Total	656 (100%)	459 (100%)	446 (100%)

*Source: Audit analysis of LD records*

## Employment services for young job seekers

3.15 Before the programme year 2018/19, trainees aged 15 to 19 who joined YETP for the first time had to attend the core course on job-search and interpersonal skills training and achieve an attendance rate of 80% or above before they were allowed to enrol in elective courses and other activities. Audit analysed the cancelled courses from 2015/16 to 2017/18 programme years and noted that about 40% of the cancelled courses were core courses (see Table 13). In the contract management meeting held between LD and the training bodies for YETP PET in January 2018, a few training bodies expressed concern about the problem on the frequent cancellation of courses due to insufficient enrolment of trainees. The training bodies pointed out that the cancellation of core courses would affect the training progress of some trainees. These younger trainees might need to wait for a long time before they could go on with elective courses and other activities after the cancellation of core courses. Having taken on board the views of the training bodies, starting from the programme year 2018/19, these younger trainees are allowed to enrol in workplace attachment training and not more than two elective courses before attending core course. They have to complete a core course before enrolling in the third elective course and/or OJT.

**Table 13**

**Analysis of cancelled courses  
(2015/16 to 2017/18)**

<b>Cancelled courses</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Core courses	162 (38%)	99 (39%)	109 (38%)
Elective and tailor-made training courses	262 (62%)	156 (61%)	178 (62%)
Total	424 (100%)	255 (100%)	287 (100%)

*Source: Audit analysis of LD records*



## **Employment services for young job seekers**

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3.16 The cancellation of courses would also result in reduction of choices in course selection for YETP trainees. For the programme year 2017/18, there were 35 course types of PET courses of YETP. Audit noted that for 11 (31%) out of the 35 course types, all the courses arranged were subsequently cancelled due to insufficient enrolment. As such, no courses of these 11 course types were available to the trainees concerned. These 11 course types were: (a) beauty culture - general; (b) IT technical assistant; (c) multi-media design and applications; (d) general health care or care services for the elderly; (e) tourism; (f) hotel; (g) cookery - Chinese and others; (h) hairdressing; (i) technical training; (j) performing arts; and (k) fitness training and physical trainer.

3.17 Audit considers that LD needs to take measures to reduce the number of cancelled training classes and ensure that the training progress of YETP trainees and the variety of course types are not affected by cancellation of courses as far as practicable.

### ***Need to encourage more trainees to enrol in OJT***

3.18 Under YETP, LD makes arrangements with employers to offer OJT vacancies to trainees so that they have the opportunity to learn and be engaged as direct employees for a period of 6 to 12 months. OJT can help enrich trainees' work experience, vocational skills and qualifications, and enhance their employability so as to brighten up employment prospects.

3.19 9,845 to 13,380 OJT vacancies were recorded each programme year during the period from 2013/14 to 2017/18. Audit reviewed the percentage of trainees enrolled in OJT in the period from programme years 2013/14 to 2017/18 and found that less than half of the trainees enrolled in OJT, ranging from 2,129 to 2,982 trainees (see Table 14).

## Employment services for young job seekers

Table 14

**Number of trainees enrolled in OJT  
(2013/14 to 2017/18)**

<b>Programme year</b>	<b>No. of trainees (a)</b>	<b>No. of trainees enrolled in OJT (b)</b>	<b>Percentage of trainees enrolled (c) = (b) ÷ (a) × 100%</b>
2013/14	7,753	2,828	36 %
2014/15	6,741	2,982	44 %
2015/16	6,165	2,818	46 %
2016/17	5,720	2,480	43 %
2017/18	4,694	2,129	45 %

Source: *Audit analysis of LD records*

3.20 In response to Audit enquiry, LD informed Audit in February 2019 that:

- (a) YETP provided a variety of employment support services to young people to enhance their employability and the offer of OJT was just some of these services; and
- (b) the trainees needed not undergo each and every of these support services before they got employment. This was particularly so in the tight labour market in Hong Kong in recent years when the young people could more easily find a job.

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3.21 Audit noted that since 2012/13, LD has conducted a biannual OJT trainee opinion survey for trainees who completed OJT training in that year. The results of the surveys showed that in general more than 80% of the respondents considered that OJT had helped or greatly helped them in obtaining working experience and skills, nurturing good working habits and attitude as well as building up confidence. As the OJTs can help enrich trainees' work experience, vocational skills and qualifications, and enhance their employability so as to brighten up employment prospects, Audit considers that LD needs to take measures to encourage more YETP trainees to enrol in OJT.

### ***Need to encourage completion of OJTs by trainees***

3.22 In 2016/17 programme year, 2,602 OJTs were arranged for trainees. Of the 2,602 OJTs, 1,031 (40%) were not completed (i.e. early termination) (see Table 15). In particular, 135 (68%) of the 198 OJTs with training duration of 9 months were not completed.

3.23 According to LD, it is their existing practice to follow up each OJT placement and require the employer to inform the YETP office of the termination and completion of OJT, including the reasons for the cessation of OJT. The relevant information is accessible by the respective case managers of the trainees. LD noted that in a number of cases, OJT was ended prematurely for various reasons, such as trainees looking for a change of work environment, having secured another job, pursuing further studies or trainees' personal factors. For cases warranting special attention by the case managers, LD will relate the cases to them for rendering counselling and assistance as appropriate.

**Table 15**

**Completion of OJTs  
(2016/17)**

<b>Contract duration</b>	<b>No. of OJTs arranged (a) = (b) + (c)</b>	<b>No. of OJTs completed (b)</b>	<b>No. of OJTs not completed (c)</b>
6 months	544 (100%)	326 (60%)	218 (40%)
9 months	198 (100%)	63 (32%)	135 (68%)
12 months	1,860 (100%)	1,182 (64%)	678 (36%)
Overall	2,602 (100%)	1,571 (60%)	1,031 (40%)

*Source: Audit analysis of LD records*

3.24 Audit considers that LD needs to keep in view the completion rates of OJTs, conduct analysis on the reasons for early termination of OJTs with a view to ascertaining whether further measures can be taken to help trainees complete their OJTs.

### **Audit recommendations**

3.25 **Audit has recommended that the Commissioner for Labour should:**

- (a) **review whether YETP meets the needs of young job seekers in finding jobs and ascertain the reasons why the number of trainees of YETP has been on a decreasing trend despite the relatively high unemployment rate for young people aged 15 to 24;**

## **Employment services for young job seekers**

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- (b) **take measures to reduce the number of cancelled training classes and ensure that the training progress of YETP trainees and the variety of course types are not affected by the cancellation of courses as far as practicable;**
- (c) **take measures to encourage more YETP trainees to enrol in OJT; and**
- (d) **keep in view the completion rates of OJTs of YETP trainees, conduct analysis on the reasons for early termination of OJTs with a view to ascertaining whether further measures can be taken to help trainees complete their OJTs.**

## **Response from the Government**

3.26 The Commissioner for Labour agrees with the audit recommendations. He has said that:

- (a) while the factors in paragraph 3.9 such as the economic and labour market conditions explained the drop in the number of young people enrolling in YETP, Table 11 showed that the proportion of target unemployed young people joining the programme had stabilised at around 30% in recent years, notwithstanding the multifarious employment and training opportunities opened to them in the current buoyant economy. LD will continue to monitor the situation and put in place enhancement measures to ensure effective and efficient provision of training and employment support to young people;
- (b) YETP will continue to offer sufficiently large number and variety of training courses, including those course types with low patronage, to cater for any possible upsurge in demand for courses due to unexpected downturn of the economy and meet the interests and needs of YETP trainees. For the new PET service contracts of programme years 2019/20 to 2021/22 that are being tendered, LD has introduced new course types and adjusted the number of training classes required for each course type to better cater for the needs of trainees. In addition, LD has also introduced measures to provide service providers more flexibility and incentive to adjust downwards the minimum number of trainees required for commencement of class so as to reduce the number of cancelled classes; and

- (c) the objective of YETP is to enhance young people's employability, prepare them for the changing labour market and help them acquire skills for employment in a wide variety of jobs. Having upgraded their skills or developed clearer career aspiration since joining YETP, some trainees may leave their OJTs midway in pursuit of better employment or further studies and this could be positive development in the trainees' career. LD will continue to monitor and assist trainees whose OJTs are ended prematurely due to, say, trainees' inadequate work skills or behavioural problems.

### **Y.E.S.**

3.27 LD operates two Youth Employment Resource Centres known as Y.E.S., namely the Mong Kok Centre (total floor area: 330 m<sup>2</sup>) set up in December 2007 and the Kwai Fong Centre (total floor area: 480 m<sup>2</sup>) set up in March 2008. The monthly rentals for the Mong Kok Centre and the Kwai Fong Centre are \$227,220 (from 24 August 2016 to 23 August 2019) and \$204,876 (from 26 October 2016 to 25 October 2019) respectively. An NGO manages the two centres. The monthly operating fees paid to the operator for the Mong Kok Centre and the Kwai Fong Centre are \$180,000 (from 24 August 2016 to 23 August 2019) and \$185,000 (from 26 October 2016 to 25 October 2019) respectively.

3.28 Y.E.S. aims to help young people start life planning at an early stage and understand the manpower requirements, career prospects and progression pathways in different trades and industries. The two centres provide one-stop employment and self-employment support services to young people aged between 15 and 29. Facilities provided in each centre include Computer Zone, Multi-function Room, Business Room (see Photograph 3), Professional Counselling Room (see Photograph 4), Workstations and Design Corner. Membership is valid for 12 months, automatically renewed on a yearly basis if the members meet the eligibility criteria. As at 31 December 2018, there were 90,542 members.

**Photograph 3**

**The Business Room at Mong Kok Centre**



*Source: LD records*

**Photograph 4**

**The Professional Counselling Room at Kwai Fong Centre**



*Source: LD records*

### ***Target number of members using Y.E.S. services not met***

3.29 In the deliberation of LD in 2012 about the monitoring of Y.E.S. services, LD was of the view that in addition to monitoring the required number of times of services as specified in the operation contract, LD also reckoned with the number of members using the Y.E.S. services. Subsequently, LD specified in the Y.E.S. Operation Manual in 2014 that:

- (a) the two Y.E.S. centres should provide services to a total of about 29,000 members per year, which was comparable to the number of members who used the services in 2011; and
- (b) LD would review from time to time whether the number of members who used Y.E.S. services met the target.

3.30 Audit noted that LD did not monitor the number of members who used Y.E.S. services. Upon Audit request, LD calculated the number of members using Y.E.S. services for 2018. The calculation revealed that the number of members using Y.E.S. services 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. Audit considers that LD needs to closely monitor the number of members using Y.E.S. services and take appropriate action to follow up with the operator for failing to meet the pertinent target and urge the Y.E.S. operator to take measures to attract more young people to use the Y.E.S. services.

### ***Need to ensure that the information reported in the COR on performance of Y.E.S. services is accurate***

3.31 The performance indicator reported in the COR relating to Y.E.S. services is the number of “young people receiving employment and self-employment advisory and support services provided by the Youth Employment Resource Centres”. However, in reporting the actual performance under this performance indicator in the COR, LD reported the number of times of Y.E.S. services provided instead of the number of young people receiving Y.E.S. services. Audit noted that the number of young people receiving Y.E.S. services in 2018 (i.e. 14,889) was far less than the number of times of Y.E.S. services provided (i.e. 72,899) because a Y.E.S. member who had used Y.E.S. services in 2018 used the services on average 4.9 times in the year. In February 2019, LD informed Audit that the performance indicator was meant



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to refer to “the number of times of the services provided” rather than the “number of people receiving the services”. Audit considers that LD needs to ensure the accuracy of information reported in the COR. LD also needs to take measures to ensure that the performance indicator in the COR reflects precisely the intention of LD.

### ***Target attendance rates not met for some training activities***

3.32 According to the operation contracts of Y.E.S. centres for programme years 2016/17 to 2018/19 between LD and the operator:

- (a) one of the performance standards is to maintain a quarterly average attendance rate of 85% for all training activities organised by Y.E.S. during the implementation period;
- (b) to calculate the attendance rate, the Labour Officer of LD and Centre-in-charge of the Operator at the centre shall determine the target number of participants of each training activity organised at Y.E.S. taking into account the objective, nature, requirements and capacity of the venue of each training activity; and
- (c) for monitoring purposes, the operator shall be required to achieve an attendance rate of 80% of the target number for each training activity.

3.33 Audit examination of the quarterly reports for 2018 submitted by the operator to LD revealed that, while the two centres achieved a quarterly average attendance rate of 85% for all training activities, for 15% and 24% of the training activities organised by the Mong Kok Centre and by the Kwai Fong Centre respectively, the operator did not achieve the attendance rate of 80% for the training activities (see Table 16).

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3.34 LD informed Audit in February 2019 that LD had been monitoring closely the Y.E.S. operator's performance on maintaining a quarterly average attendance rate of 85% of all training organised and achieving an attendance rate of 80% of the target number for each training activity. Nonetheless, LD considered that, in order not to overlook the needs of some minority groups, Y.E.S. also has to organise non-mainstream training courses. In order not to discourage the operator from organising less popular courses or trying out new courses, LD would adopt some flexibility on the achievement of the attendance rate of 80% for individual training activity while maintaining a quarterly average attendance rate of 85% of all training organised. Notwithstanding this, as stipulated in the operation contracts of Y.E.S. centres, Audit considers that LD needs to monitor the attendance rate for each training activity organised by Y.E.S. and, where necessary, take appropriate follow-up action with the operator for training activities which have not achieved the target attendance rate.

**Table 16**

**Number of training activities at Y.E.S. centres  
with attendance rates below 80%  
(2018)**

	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	Overall
<b>Mong Kok Centre</b>					
No. of training activities organised	34	40	43	35	152
No. of training activities with attendance rates below 80%	3 (9%)	6 (15%)	7 (16%)	7 (20%)	23 (15%)
<b>Kwai Fong Centre</b>					
No. of training activities organised	40	37	38	33	148
No. of training activities with attendance rates below 80%	12 (30%)	9 (24%)	6 (16%)	8 (24%)	35 (24%)

Source: Audit analysis of LD records

## **Audit recommendations**

- 3.35 **Audit has recommended that the Commissioner for Labour should:**
- (a) **closely monitor the number of members using Y.E.S. services and take appropriate action to follow up with the operator for failing to meet the pertinent target;**
  - (b) **urge the Y.E.S. operator to take measures to attract more young people to use the Y.E.S. services;**
  - (c) **take measures to ensure the accuracy of information reported in the COR and ensure that the performance indicator in the COR reflects precisely the intention of LD; and**
  - (d) **monitor the attendance rate for each training activity organised by Y.E.S. and, where necessary, take appropriate follow-up action with the operator for training activities which have not achieved the target attendance rate.**

## **Response from the Government**

3.36 The Commissioner for Labour agrees with the audit recommendations. He has said that:

- (a) despite the fact that the existing contract with the Y.E.S. operator only specifies, as a performance indicator, the number of times Y.E.S. services were used, LD will work with the operator to take measures to attract more young people to use the Y.E.S. services;
- (b) the description of the relevant performance indicator on the usage of the Y.E.S. services in the 2019-20 COR has been revised to reflect the intention that the indicator refers to the number of times the Y.E.S. services were used; and

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- (c) LD will, as before, continue to monitor the attendance rate of all training activities organised by Y.E.S. LD will work with the operator to achieve the target attendance rate as far as practicable, without dampening its incentives in organising less popular training activities for young people with different interests and aspirations.

## **PART 3B: EMPLOYMENT SERVICES FOR ELDERLY AND MIDDLE-AGED JOB SEEKERS**

3.37 This PART examines the employment services for elderly and middle-aged job seekers.

3.38 LD implements various measures to encourage employers to engage elderly or middle-aged job seekers and foster elderly persons to re-join the labour market:

- (a) ***EPEM.*** EPEM aims 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;
- (b) ***Special counters at job centres.*** Special counters are available at all LD's job centres to provide priority registration and job referral service for job seekers aged 50 or above;
- (c) ***Employment briefings.*** LD organises employment briefings to help elderly and middle-aged job seekers to better understand the latest local labour market situation and to improve their job search skills;
- (d) ***Experience sharing sessions.*** To encourage employers to engage elderly and middle-aged job seekers, LD organises experience sharing sessions on employment of elderly and middle-aged persons;
- (e) ***Dedicated webpage for elderly job seekers.*** There is a dedicated webpage for elderly job seekers under iES website to provide them with employment information, such as special employment services for elderly persons, schedule of employment briefings, vacancies suitable for the middle-aged and elderly job seekers, and details of EPEM;
- (f) ***Touch-screen vacancy search terminals.*** The functions of vacancy search terminals have been enhanced (e.g. installation of multi-touch interface with zooming properties) to facilitate elderly job seekers' access to employment information and search for vacancies; and

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- (g) **Job fairs.** LD organises large-scale thematic job fairs targeting elderly and middle-aged job seekers to enhance their employment opportunities. To meet the needs of some elderly persons who are more interested in taking up part-time jobs, district-based job fairs on part-time jobs are also held at job centres.

### **EPEM**

3.39 LD implements EPEM to encourage employers to engage unemployed job seekers aged 40 or above and provide them with OJT through the provision of training allowance to the employers.

3.40 To be eligible for EPEM, the job seeker must:

- (a) be aged 40 or above at the time of employment and have an unemployment period of not less than one month within one year prior to the commencement date of employment;
- (b) have registered with LD; and
- (c) have no relative or prior employment relationship with the employer concerned.

3.41 To be eligible for EPEM, the employer must:

- (a) hold a valid Business Registration Certificate, Certificate of Registration of a School or other recognised licence;
- (b) register its vacancy of full-time (i.e. working 30 hours or more per week) or part-time (i.e. working 18 hours to less than 30 hours per week) permanent post with LD and then employ elderly or middle-aged job seeker aged 40 or above with an unemployment period of not less than one month within one year prior to the commencement date of employment to fill such post; and

## Employment services for elderly and middle-aged job seekers

- (c) be the direct employer to undertake all legal responsibilities as an employer under relevant ordinances, and to offer wage rate in compliance with the Minimum Wage Ordinance and at par with the market level. The employment terms offered must be no less favourable than that as stated in the vacancy registered with LD.

3.42 After joining EPEM, the employer must provide OJT to the employee and assign an experienced staff as the mentor of the employee. Subject to the approval of LD, the OJT lasts for 3 to 6 months for employee aged 40 to below 60, and 6 to 12 months for employee aged 60 or above. Upon completion of OJT by eligible employee under EPEM, participating employer may apply for OJT allowance of up to \$3,000 per month per employee aged 40 to below 60, and up to \$4,000 per month per employee aged 60 or above (see Table 17) (Note 7).

**Table 17**

### OJT allowance under EPEM

Age of employee	OJT period	Type of post	OJT allowance (per month per employee)	
			Monthly salary below \$6,000	Monthly salary \$6,000 or above
40 to below 60	3 to 6 months	Full-time post	\$2,000	\$3,000
		Part-time post	25% of the employee's salary of the month, with the maximum amount up to \$3,000	
60 or above	6 to 12 months	Full-time post	50% of the employee's salary of the month, with the maximum amount up to \$4,000	
		Part-time post		

Source: Audit analysis of LD records

**Note 7:** In general, OJT lasts for 3 months for employee aged 40 to below 60, and 6 months for employee aged 60 or above. Subject to the approval of LD with assessment on the content of OJT, working experience of the employee and the nature of the business, etc., OJT period may be extended to a maximum of 6 months for employee aged 40 to below 60, and 12 months for employee aged 60 or above.

3.43 In the period from the inception of EPEM in May 2003 to 31 December 2018, the number of approved claims for OJT allowance was 14,214.

### ***Need to encourage employers to join EPEM***

3.44 After employing an eligible job seeker, the employer joining EPEM has to submit a completed preliminary application form for OJT, together with supporting documents on the salary and hours of work of the job (such as a signed employment contract), to the EPEM Coordination Office at the Kwun Tong Job Centre within:

- (a) three months from the date when the job vacancy is posted at LD; and
- (b) the first month after the commencement of employment of the job seeker.

The employer should only commence OJT recognised under EPEM after the preliminary application has been approved by LD.

3.45 LD will issue a letter of approval-in-principle to the employer after the preliminary application is approved by LD. Upon completion or termination of OJT, the employer should submit the assessment-cum-claim form as well as the salary and attendance records for LD's approval to claim the OJT allowance within one month after the end of wage period for the last calendar month of the OJT period. For employment which ends before completion of the approved OJT period, no OJT allowance will be granted if the OJT period undergone by the employee is less than one month. Moreover, OJT allowance will not be granted if the employer does not submit the assessment-cum-claim form and other required documents or fails to meet the EPEM requirements, such as the OJT not being properly provided.

3.46 ***Low percentage of eligible placements with preliminary applications for EPEM.*** In the period from 2014 to 2018, the average number of eligible placements for EPEM was 2,660. However, the average number of eligible placements with preliminary applications for EPEM submitted was only 565. The average percentage of eligible placements with preliminary applications for EPEM submitted was 21.2% (see Table 18).



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Table 18

### Number of eligible placements with preliminary applications for EPEM (2014 to 2018)

	2014	2015	2016	2017	2018	Average
Number of eligible placements (a)	2,564	2,541	2,978	2,642	2,574	2,660
Number of eligible placements with preliminary applications submitted (b)	716	527	542	476	565	565
Percentage of eligible placements with preliminary applications for EPEM submitted (c) = (b) ÷ (a) × 100%	27.9%	20.7%	18.2%	18.0%	22.0%	21.2%

Source: *Audit analysis of LD records*

3.47 According to LD, EPEM Coordination Office will screen the placement results and mail invitation letters for joining EPEM to all eligible employers who have employed job seekers eligible for joining EPEM. EPEM Coordination Office will check the employers who have not responded to the invitation letters for over a week and will call these employers to invite them again to join EPEM. Each employer will be followed up at a maximum of three times until it gives a reply. Notwithstanding these measures taken by LD, the percentage of eligible employers applying for EPEM was low (i.e. ranging from 21.1% to 27% from 2014 to 2018).

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3.48 In response to Audit enquiry, LD informed Audit in February 2019 that:

- (a) based on feedbacks from employers they had collected, the employers did not apply for EPEM due to various reasons, such as they chose to absorb the training cost by their own resources. Some employers engaged elderly job seekers solely because the job seekers were suitable for the posts instead of due to the government allowance and they considered that their application for such allowance might adversely affect their corporate image; and
- (b) the purpose of EPEM was to encourage employers to hire unemployed mature job seekers. As these employers had already employed the elderly or middle-aged job seekers, whether they applied for the OJT allowance under EPEM was immaterial to their decision of hiring these job seekers and whether they would claim the OJT allowance under EPEM would be of secondary importance.

3.49 ***Large number of employers not claiming OJT allowance after joining EPEM.*** 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 who obtained approval-in-principle did not claim the OJT allowance (see Table 19). LD had documented the reasons for not claiming the OJT allowance for 275 of the 572 cases, which were mainly due to their failure to meet the requirements of EPEM. Audit noted that for 170 (61.8%) of the 275 placements, the employers did not claim any OJT allowance because the OJT period had been less than one month.

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Table 19

### Number of placements with approval-in-principle and claims of OJT allowance (2013 to 2017)

	2013	2014	2015	2016	2017	Overall
Number of placements with approval-in-principle (a)=(b)+(c)+(d)	604	637	437	472	431	2,581
Number of placements with:						
OJT allowance granted (b)	443 (73.3%)	468 (73.5%)	305 (69.8%)	358 (75.8%)	313 (72.6%)	1,887 (73.1%)
OJT allowance not granted						
(i) Not claimed by employers (c)	143 (23.7%)	144 (22.6%)	93 (21.3%)	106 (22.5%)	86 (20.0%)	572 (22.2%)
(ii) Claims rejected by LD (d)	18 (3.0%)	25 (3.9%)	39 (8.9%)	8 (1.7%)	32 (7.4%)	122 (4.7%)

Source: Audit analysis of LD records

3.50 In view of the low percentage of eligible placements with preliminary applications for EPEM and the fact that a large number of employers did not claim OJT allowance after joining EPEM, Audit considers that LD needs to take measures to encourage employers to join EPEM for their eligible placements and review the effectiveness of EPEM in promoting the employment of elderly and middle-aged job seekers.

### *Decreased completion rates of OJTs*

3.51 In general, OJTs last for 3 months for employees aged 40 to below 60 and 6 months for employees aged 60 or above. Subject to the approval of LD, the OJT period may be extended to a maximum of 6 months for employees aged 40 to below 60 and 12 months for employees aged 60 or above for deserving cases. LD will issue letters of approval-in-principle to the employers with the approved commencement and end dates of the OJTs.

## Employment services for elderly and middle-aged job seekers

3.52 Audit analysed the 2,581 placements with approval-in-principle under EPEM from 2013 to 2017 and noted that for only 1,951 (75.6%) placements with approval-in-principle, the employees could complete the whole approved OJT period (see Table 20). The percentage of placements where OJTs were completed decreased from 78.5% in 2013 to 71.2% in 2017. In particular, for employees aged 60 or above, the percentage of placements with completed OJTs decreased by 11.1 percentage points from 87.7% in 2013 to 76.6% in 2017.

**Table 20**

**Number of placements with approval-in-principle where OJTs were completed  
(2013 to 2017)**

	Age	2013	2014	2015	2016	2017	Overall	Change from 2013 to 2017
Number of placements with approval-in-principle	40 to below 60	539	572	391	411	384	2,297	-155
	60 or above	65	65	46	61	47	284	-18
	Total	604	637	437	472	431	2,581	-173
Number of placements with approval-in-principle where OJTs were completed	40 to below 60	417 (77.4%)	438 (76.6%)	301 (77.0%)	294 (71.5%)	271 (70.6%)	1,721 (74.9%)	-146 (-6.8 percentage points)
	60 or above	57 (87.7%)	53 (81.5%)	32 (69.6%)	52 (85.2%)	36 (76.6%)	230 (81.0%)	-21 (-11.1 percentage points)
	Overall	474 (78.5%)	491 (77.1%)	333 (76.2%)	346 (73.3%)	307 (71.2%)	1,951 (75.6%)	-167 (-7.3 percentage points)

Source: *Audit analysis of LD records*

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3.53 According to LD, the purpose of EPEM is to encourage employers to hire elderly and middle-aged job seekers and provide them with OJT. For employees failing to complete the whole OJT period, it does not mean that they have not benefited from the enhanced employability through the work experience and skills acquired during the OJT. Besides, due to the continuous and steadily low unemployment rate with the availability of abundant job openings in the labour market, it is common to have a high turnover rate of staff, which includes EPEM participants.

3.54 Audit considers that LD needs to keep in view the completion rates of OJTs under EPEM and take measures to help elderly and middle-aged job seekers complete OJTs as far as possible.

### ***Decreasing retention rates for placements under EPEM***

3.55 LD conducts retention surveys of EPEM twice a year (i.e. in April and October each year), including placements under EPEM with OJT allowance granted. The April survey covers placements during the period 1 April to 30 September of the previous year and the October survey covers placements during 1 October of the previous year to 31 March of the survey year.

3.56 Based on the five recent retention surveys covering placements from April 2015 to September 2017, the retention rates for six months or above decreased from 77.7% for the period from April to September 2015 to 61.8% for the period from April to September 2017 (see Table 21).

**Table 21**

**Retention periods of placements under EPEM with OJT allowance granted  
(April 2015 to September 2017)**

Retention period (month)	Date of placement				
	April to September 2015	October 2015 to March 2016	April to September 2016	October 2016 to March 2017	April to September 2017
(a) < 1	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
(b) ≥ 1 to < 2	3 (2.0%)	1 (0.6%)	5 (2.7%)	3 (1.6%)	6 (4.4%)
(c) ≥ 2 to < 3	7 (4.7%)	3 (1.9%)	4 (2.2%)	4 (2.1%)	9 (6.6%)
(d) ≥ 3 to < 4	6 (4.1%)	8 (5.0%)	16 (8.7%)	12 (6.2%)	11 (8.1%)
(e) ≥ 4 to < 5	12 (8.1%)	14 (8.8%)	13 (7.1%)	23 (12.0%)	17 (12.5%)
(f) ≥ 5 to < 6	5 (3.4%)	9 (5.7%)	17 (9.2%)	10 (5.2%)	9 (6.6%)
(g) ≥ 6	115 <b>(77.7%)</b>	124 (78.0%)	129 (70.1%)	140 (72.9%)	84 <b>(61.8%)</b>
Total	148 (100%)	159 (100%)	184 (100%)	192 (100%)	136 (100%)

*Source: Audit analysis of LD records*

3.57 EPEM aims to enable eligible job seekers to secure stable employment and enable employers to continue to employ EPEM participants upon their satisfactory completion of the OJTs. Audit considers that LD needs to keep in view the retention rates for placements under EPEM with OJT allowance granted and take measures to help those elderly and middle-aged job seekers who have difficulty in staying in employment.

***Need to compile the retention rates for longer employment period***

3.58 Under the existing arrangement for conducting the retention surveys of EPEM (see para. 3.55), at the time of conducting the retention surveys, the duration of the placements could range from around 6 to 13 months, depending on the actual start dates of the placements. For example, for the April surveys, the retention period for placements started on 30 September of the previous year was at most around six months. LD compiles retention rates by month for employment periods up to six months. This practice dovetails with the OJT period prior to September 2018 because the OJT period of EPEM ranged from 3 to 6 months. However, with the enhancement of the scheme in September 2018, the OJT period may be extended up to 12 months. EPEM aims to enable eligible job seekers to secure stable employment and enable employers to continue to employ EPEM participants upon their satisfactory completion of the OJTs. In order to ascertain whether employers continue to employ EPEM participants after the completion of OJTs of up to 12 months, Audit considers that LD needs to compile the retention rates of placements under EPEM by month for a longer employment period of at least up to 12 months.

***Need to improve reporting on number of placements secured under EPEM***

3.59 LD discloses the number of “placements secured under EPEM” in its annual reports and the information given to the Finance Committee of the Legislative Council. In April 2018, LD informed the Finance Committee of the number of “placements secured under EPEM” for 2013 to 2017 (see Table 22).

**Table 22**

**Information on the number of “placements secured under EPEM” disclosed in LD’s annual reports and given to Finance Committee (2013 to 2017)**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Placements secured under EPEM	2,562	2,564	2,541	2,978	2,642

Source: LD records

## **Employment services for elderly and middle-aged job seekers**

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3.60 Audit noted that the number of “placements secured under EPEM” disclosed was the number of placements eligible under EPEM (see paras. 3.40 and 3.41). At the time of securing placements, the eligible employers have not applied to join the EPEM yet. Invitations for joining the EPEM were only sent by LD to the employers after the employers have employed job seekers eligible under EPEM. After employing eligible job seekers, the employers have to obtain approval-in-principle for the placement before starting OJT. The number of placements for which employers joined EPEM (placements with approval-in-principle under EPEM) (i.e. 431 in 2017) was much smaller than the number of placements eligible for EPEM (i.e. 2,642 in 2017) (see Table 23). To avoid confusion, Audit considers that when disclosing information on placements secured under EPEM, LD needs to distinguish the number of placements eligible for EPEM from the number of placements for which employers joined EPEM.

**Table 23**

**Number of eligible placements and number of placements  
with approval-in-principle  
(2013 to 2017)**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Number of eligible placements	2,562	2,564	2,541	2,978	2,642
Number of placements with approval-in-principle	604	637	437	472	431

*Source: LD records*

### **Audit recommendations**

3.61 **Audit has recommended that the Commissioner for Labour should:**

- (a) **take measures to encourage employers to join EPEM for their eligible placements;**
- (b) **review the effectiveness of EPEM in promoting the employment of elderly and middle-aged job seekers;**



## **Employment services for elderly and middle-aged job seekers**

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- (c) **monitor the completion rates of OJTs under EPEM and take measures to help elderly and middle-aged job seekers complete OJTs as far as possible;**
- (d) **monitor the retention rates for placements under EPEM with OJT allowance granted and take measures to help those elderly and middle-aged job seekers who have difficulty in staying in employment;**
- (e) **compile the retention rates of placements under EPEM by month for a longer employment period of at least up to 12 months; and**
- (f) **when disclosing information on placements secured under EPEM, distinguish the number of placements eligible for EPEM from the number of placements for which the employers joined EPEM.**

## **Response from the Government**

3.62 The Commissioner for Labour agrees with the audit recommendations. He has said that:

- (a) owing to the continuous and steadily low unemployment rate with abundant job openings available, it is not uncommon for elderly and middle-aged employees, including EPEM participants, to change for better jobs. Nonetheless, LD will continue to monitor the employment situations of EPEM participants by enhancing the follow-up with participating employers and employees and offer assistance as required; and
- (b) with the extension of the OJT period in September 2018 up to 12 months, LD will definitely compile the retention rates of placements under EPEM by month for a longer employment period for at least up to 12 months.

## **PART 3C: EMPLOYMENT SERVICES FOR ETHNIC MINORITY JOB SEEKERS**

3.63 This PART examines the employment services provided for EM job seekers, focusing on:

- (a) provision of employment services to EM job seekers (paras. 3.64 to 3.75);  
and
- (b) promoting the employment of EMs to employers (paras. 3.76 to 3.80).

### **Provision of employment services to EM job seekers**

3.64 According to the Census and Statistics Department, in 2016, the population of EMs in Hong Kong was about 260,000 (excluding foreign domestic workers), or around 3.6% of the whole Hong Kong population. The number of unemployed EMs was 6,281 (of whom 2,165 were South Asians, including 885 Indians, 650 Nepalese and 567 Pakistanis), with an unemployment rate of 4.6%. LD provides the following dedicated employment services for EM job seekers:

- (a) ***Special counters and resource corners.*** Special counters and resource corners for EM job seekers are set up at job centres to provide them with job referral services and employment information. Major publicity leaflets on LD's employment services are published in English, Chinese and six other languages (i.e. Hindi, Indonesian, Nepali, Tagalog, Thai and Urdu) commonly used among EM job seekers;
- (b) ***Tailor-made employment briefings.*** Employment briefings are organised by job centres to help EM job seekers better understand the latest labour market situation and improve their job search skills. In 2018, a total of 14 employment briefings were held at 5 job centres;

## Employment services for ethnic minority job seekers

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- (c) ***Employment advisory service and in-depth follow up.*** Employment advisory service is provided at all job centres where experienced employment officers who are familiar with the local employment market and proficient in English will provide EM job seekers with job search advice and information on the job market and training/retraining courses. In 2018, 432 employment advisory services (Note 8) were provided to 381 EM job seekers. LD also provides in-depth follow-up services to EM job seekers. In 2018, 1,538 in-depth follow-up services (Note 8) were provided to 967 EM job seekers;
- (d) ***Free interpretation services.*** Free interpretation services are provided to EM job seekers who speak neither Chinese nor English by an NGO arranged by LD. Intensive efforts have been made to ensure all EM visitors are aware of the availability of the interpretation services;
- (e) ***Displaying key job vacancy information bilingually.*** Key information of all job vacancies (e.g. job title, industry, working hours, salary, work district, educational requirements and application procedures) is translated and displayed bilingually on LD's iES website, iES mobile app and vacancy search terminals to facilitate EM job seekers to browse vacancy information;
- (f) ***Dedicated webpage for EM job seekers.*** LD has set up an exclusive e-platform, a dedicated webpage for EM job seekers on iES website ([www.jobs.gov.hk/EM](http://www.jobs.gov.hk/EM)). The webpage features job vacancies which are posted by employers welcoming EM job seekers and having no or little Chinese language requirements. It also publishes successful employment stories of EMs, and provides information on LD's dedicated employment services for EM job seekers, inclusive job fairs as well as other multi-lingual employment information;
- (g) ***ESA Programme for EMs.*** LD has implemented ESA Programme for EMs since September 2014, under which trainees of YETP who can communicate in EM languages are employed as ESAs to undergo OJT at job centres, recruitment centres and job fairs. To strengthen the training for the trainees, LD has extended the on-the-job training period for those ESAs engaged since

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**Note 8:** *Each employment advisory service/in-depth follow-up service represents a telephone contact or an interview between an LD staff and an EM job seeker.*

## **Employment services for ethnic minority job seekers**

September 2018 from six months to one year. Since the implementation of ESA Programme for EMs, LD had employed 134 trainees; and

- (h) *Employment assistants proficient in EM languages.* To strengthen the employment services for EM job seekers, since May 2017, LD has engaged on a pilot basis 2 employment assistants proficient in EM languages at the Kowloon West Job Centre in Sham Shui Po and EOS in Tin Shui Wai to provide EM job seekers with personalised employment advisory service in partnership with experienced employment officers, and offer support in the provision of other employment services.

3.65 Same as other job seekers, EM job seekers are required to register with LD to receive some employment services like employment advisory service. Registration is free of charge and is valid for three months. After the expiry of the registration, the job seekers may re-register if they would like to continue to receive those employment services. In 2018, there were 1,173 registered EM job seekers (see Table 24).

**Table 24**

**Number of registered EM job seekers  
(2018)**

<b>Ethnicity</b>	<b>No. of job seekers</b>
Pakistani	488 (42%)
Indian	217 (18%)
Nepalese	173 (15%)
Filipino	88 (8%)
Indonesian	28 (2%)
Thai	25 (2%)
Others (such as Bengali and Sri Lankan)	154 (13%)
Total	1,173 (100%)

*Source: LD records*

## Employment services for ethnic minority job seekers

### *Need to step up efforts to increase number of placements for EM job seekers*

3.66 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 (see Table 25).

**Table 25**

**Number of placements for registered EM job seekers through LD's referrals  
(2014 to 2018)**

<b>Year</b>	<b>No. of EM registered job seekers (a)</b>	<b>No. of job offers to EM job seekers (b)</b>	<b>No. of placements (c)</b>	<b>Percentage of placements to registered EM job seekers (d) = (c) ÷ (a) × 100%</b>
2014	901	98	65	7%
2015	994	129	75	8%
2016	1,043	126	82	8%
2017	1,036	151	94	9%
2018	1,173	254	116	10%

*Source: Audit analysis of LD records*

3.67 To enhance the employment opportunities for EMs, LD organises district-based inclusive job fairs at 13 job centres and large-scale inclusive job fairs. Both EMs and other job seekers can submit job applications and attend interviews with employers on the spot. LD encourages employers to provide vacancies suitable for EMs and to relax the language requirement as far as possible so as to enable more EMs to apply for the vacancies. During the inclusive job fairs, on-site interpretation is available through an NGO arranged by LD.

## Employment services for ethnic minority job seekers

3.68 Audit analysed the large-scale and the district-based inclusive job fairs held in the period from 2016 to 2018. Details are as follows:

- (a) **Large-scale job fairs.** In the period from 2016 to 2018, 2 large-scale inclusive job fairs were organised each year. The number of placements for EM job seekers was not high, ranging from 4 in 2017 to 23 in 2016. The average number of placements per job fair ranged from 2 in 2017 to 11.5 in 2016 (see Table 26); and

**Table 26**  
**Large-scale inclusive job fairs**  
**(2016 to 2018)**

Year	No. of job fairs (a)	No. of vacancies (b)	No. of interviews arranged for EM job seekers (c)	No. of job offers to EM job seekers (d)	No. of placements (e)	Average no. of placements per job fair (f) = (e) ÷ (a)
2016	2	7,042	118	55	23	11.5
2017	2	5,670	140	30	4	2.0
2018	2	7,648	63	47	21	10.5

*Source: Audit analysis of LD records*

- (b) **District-based job fairs.** In the period from 2016 to 2018, 12 district-based inclusive job fairs were organised each year. The number of placements for EM job seekers was not high, ranging from 20 in 2018 to 23 in both 2016 and 2017, with an average number of placements of about 2 in each job fair (see Table 27).

**Table 27**

**District-based inclusive job fairs  
(2016 to 2018)**

<b>Year</b>	<b>No. of job fairs (a)</b>	<b>No. of vacancies (b)</b>	<b>No. of interviews arranged for EM job seekers (c)</b>	<b>No. of job offers to EM job seekers (d)</b>	<b>No. of placements (e)</b>	<b>Average no. of placements per job fair (f) = (e) ÷ (a)</b>
2016	12	2,754	573	35	23	1.9
2017	12	3,278	389	56	23	1.9
2018	12	3,492	477	52	20	1.7

*Source: Audit analysis of LD records*

3.69 According to LD, with the vast majority of vacancies advertised through LD open for direct application to employers by job seekers (including EM job seekers), job referral service provided by LD is not the only way in making job application and might not be the most effective and efficient means. Therefore, the number of direct placements through LD’s referrals cannot fully reflect the effectiveness of employment services provided by LD to EM job seekers. However, LD could not provide the number of indirect placements secured for EM job seekers.

3.70 There is room for increasing the number of placements secured through referral services and job fairs for EM job seekers. Audit considers that LD needs to step up efforts to increase the number of placements for EM job seekers.

***Small number of job seekers attending employment briefings***

3.71 Employment briefings are organised by job centres to help EM job seekers better understand the latest labour market situation and improve their job search skills. The content of the employment briefings includes the introduction of LD’s dedicated employment services for EM job seekers, and providing information such as job hunting tips, job interview skills and latest market situation. However, 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 (see Table 28).

**Table 28**  
**Number of attendees for employment briefings**  
**(2016 to 2018)**

Year	No. of employment briefings (a)	No. of EM attendees (b)	Average no. of attendees (c) = (b) ÷ (a)
2016	11	60	5.5 (range: 1 to 16)
2017	9	54	6.0 (range: 1 to 14)
2018	14	36	2.6 (range: 1 to 6)
Overall	34	150	4.4 (range: 1 to 16)

*Source: Audit analysis of LD records*

3.72 According to LD, instead of asking EM job seekers who need job search advice to enrol and wait for the scheduled employment briefings, employment officers of job centres would more often provide them with employment advisory service on the spot and offer them job search advice and information on the job market and training/retraining courses right away.



## **Employment services for ethnic minority job seekers**

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3.73 Audit considers that LD needs to make more efforts to encourage EM job seekers to attend the employment briefings to better understand the latest labour market situation and improve their job search skills.

### **Audit recommendations**

3.74 **Audit has *recommended* that the Commissioner for Labour should:**

- (a) **step up efforts to increase the number of placements for EM job seekers; and**
- (b) **make more efforts to encourage EM job seekers to attend the employment briefings to better understand the latest labour market situation and improve their job search skills.**

### **Response from the Government**

3.75 The Commissioner for Labour agrees with the audit recommendations. He has said that:

- (a) there was a steady increase in the number of placements secured for EM job seekers through LD's referral service from 2014 to 2018; and
- (b) to further strengthen the employment support for EM job seekers, it has been announced in the 2018 Policy Address that LD will launch a pilot programme in conjunction with NGOs to provide employment services for EM job seekers through a case management approach.

## **Promoting the employment of EMs to employers**

- 3.76 LD promotes the employment of EMs to employers by:
- (a) promoting the working abilities of EMs among employers and reminding them to consider the genuine occupational qualifications of the posts when specifying the language requirements;
  - (b) organising experience sharing sessions for employers to help them better understand EM cultures and acquire the skills to communicate with them. NGOs serving EMs are invited to participate in these sessions; and
  - (c) facilitating employers to indicate that EMs are welcome for the post when providing job vacancy information to LD for advertising. LD would publicise the vacancies among EM job seekers mainly through the dedicated webpage on iES website and iES mobile app, and vacancy search terminals installed at various locations across the territory.

### ***Need to encourage employers to indicate that EMs are welcome for the posts***

3.77 When employers submit information to place job vacancies with LD for advertising, there is an option for employers to specify that EMs are welcome for the post. Audit examined the job vacancies posted by the employers from 2016 to 2018 and noted that the percentage of vacancies where employers indicated that EMs were welcome for the posts was not high, ranging from 12% in 2016 to 16% in 2018 (see Table 29). Audit noted, however, that both the numbers and percentages of these vacancies were on the rise from 2016 to 2018.

**Table 29**

**Number of vacancies indicating EMs were welcome for the posts  
(2016 to 2018)**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
No. of vacancies indicating EMs were welcome for the posts	162,086 (12%)	192,925 (14%)	238,270 (16%)
No. of vacancies without indicating EMs were welcome for the posts	1,185,527 (88%)	1,226,345 (86%)	1,230,124 (84%)
Total	1,347,613 (100%)	1,419,270 (100%)	1,468,394 (100%)

*Source: Audit analysis of LD records*

3.78 Audit considers that LD needs to take further action to promote the employment of EMs among employers and continue to encourage employers to indicate that EMs are welcome for the posts when placing job vacancies with LD.

### **Audit recommendation**

3.79 Audit has *recommended* that the Commissioner for Labour should take further action to promote the employment of EMs among employers and continue to encourage employers to indicate that EMs are welcome for the posts when placing job vacancies with LD.

### **Response from the Government**

3.80 The Commissioner for Labour agrees with the audit recommendation. He has said that despite the continuous increase in the number and proportion of vacancies received by LD indicating EMs were welcome for the posts (see Table 29), LD will continue with its efforts to promote the employment of EMs among employers and enhance its post-placement support for employers engaging EMs through the pilot programme mentioned in paragraph 3.75(b).

## **PART 3D: EMPLOYMENT SERVICES FOR JOB SEEKERS WITH DISABILITIES**

3.81 This PART examines the employment services for job seekers with disabilities, focusing on the following areas:

- (a) placement service for job seekers with disabilities (paras. 3.87 to 3.99); and
- (b) WOPS (paras. 3.100 to 3.118).

### ***Background***

3.82 The Census and Statistics Department periodically carries out surveys on the population of Persons with Disabilities (PWDs) and their employment status. The latest report entitled “Special Topics Report on PWDs and Chronic Diseases” was published in 2014. According to the Report, there were 578,600 PWDs (excluding persons with single disability of intellectual disability or chronic diseases) in 2013, accounting for 8.1% of the total population in Hong Kong. Of the 558,000 PWDs aged 15 and over, some 477,000 (85.5%) were economically inactive and the remaining 81,000 (14.5%) were economically active. Among the 81,000 economically active PWDs, 4,800 were unemployed persons and the unemployment rate of PWDs was 6%, which was higher than that of the total population of 3.4% in 2013.

3.83 The Selective Placement Division (SPD) of LD provides free recruitment services to employers and free employment services to job seekers with nine types of disabilities. The nine types of disabilities comprise visual impairment, hearing impairment, physical impairment, chronic illness, intellectual disability, ex-mental illness, autism spectrum disorder, specific learning difficulties and attention deficit/hyperactivity disorder.

## **Employment services for job seekers with disabilities**

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3.84 The objective of SPD is to help employers to recruit suitable PWDs according to the requirements of the vacancies and to assist job seekers with disabilities fit for open employment in securing jobs in the labour market that best suit their abilities, skills, qualifications and experience and cater for their special needs, with the ultimate aim of integrating them into the community and helping them to be financially independent. The work of SPD includes:

- (a) providing employment counselling and guidance service;
- (b) providing matching and referral service;
- (c) providing at least 6-month follow-up service;
- (d) organising public education and promotional activities; and
- (e) administering WOPS.

3.85 Job seekers with disabilities need to register with SPD in order to use the services. The registration is valid for a period of 12 months. They have to re-register after the expiry of registration. In 2018, the number of registered job seekers with disabilities was 2,766 and the number of placements achieved for them was 2,219.

3.86 SPD has five operational units/offices, namely the Headquarters Unit, three regional offices providing employment services on Hong Kong Island, in Kowloon and the New Territories and the Publicity and Promotion Unit. SPD is headed by a Senior Labour Officer and supported by 5 Labour Officers.

## **Placement service for job seekers with disabilities**

### ***Divisional targets on number of registered job seekers with disabilities and number of placements not always met***

3.87 LD sets divisional targets on the number of registered job seekers with disabilities received and the number of placements achieved in a year.

3.88 While the number of registered job seekers with disabilities increased by 4.4% from 2,650 in 2014 to 2,766 in 2018, the total number of placements for job seekers with disabilities decreased by 9.9% from 2,464 in 2014 to 2,219 in 2018 (see Table 30). LD did not meet the divisional target on the number of registered job seekers with disabilities in 2018. For four years from 2015 to 2018, LD did not meet the divisional targets on the number of placements for job seekers with disabilities.

**Table 30**

**Performance against divisional targets on number of registered job seekers with disabilities and placements for job seekers with disabilities (2014 to 2018)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>No. of registered job seekers with disabilities</b>					
Divisional target (a)	2,600	2,650	2,700	2,700	2,800
Actual (b)	2,650	2,720	2,790	2,833	2,766
% achieved (c) = (b) ÷ (a) × 100%	101.9%	102.6%	103.3%	104.9%	98.8%
<b>No. of placements for job seekers with disabilities</b>					
Divisional target (d)	2,400	2,450	2,450	2,400	2,400
Actual (e)	2,464	2,401	2,250	2,203	2,219
% achieved (f) = (e) ÷ (d) × 100%	102.7%	98.0%	91.8%	91.8%	92.5%

*Source: Audit analysis of LD records*

## Employment services for job seekers with disabilities

### *Need to endeavour to help job seekers with disabilities to secure placements*

3.89 LD monitors the placement rates per registered job seeker with disabilities and the percentage of registered job seekers with disabilities who had placements to assess the effectiveness of the employment services provided to them. The placement rates per registered job seeker with disabilities fell from 93% in 2014 to 80.2% in 2018 (see Table 31). As some registered job seekers might have more than one placement in a year, LD also analysed the percentage of registered job seekers with disabilities who had placements. For the period from 2014 to 2018, Audit found that only about half of the registered job seekers with disabilities (i.e. 49.6% to 52.4%) had placements in a year (see Table 31). For example, in 2017, LD did not provide job referrals to 900 registered job seekers with disabilities who had no placements. Furthermore, LD did not monitor the time needed for a registered job seeker with disabilities to have a referral and/or placement or perform age analysis of the waiting time for a referral and/or placement.

**Table 31**

#### **Placements of registered job seekers with disabilities (2014 to 2018)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
No. of registered job seekers with disabilities (a)	2,650	2,720	2,790	2,833	2,766
No. of placements (b)	2,464	2,401	2,250	2,203	2,219
Placement rates per registered job seeker with disabilities (c) = (b) ÷ (a) × 100%	93.0%	88.3%	80.6%	77.8%	80.2%
No. of registered job seekers with disabilities who had placements (d)	1,367	1,426	1,436	1,405	1,383
Percentage of registered job seekers with disabilities who had placements (e) = (d) ÷ (a) × 100%	51.6%	52.4%	51.5%	49.6%	50.0%

Source: *Audit analysis of LD records*

3.90 LD informed Audit in February 2019 that LD had set up mechanism in place to monitor and keep track of the cases with no referrals made and placements secured for the registrants. According to the past records, such cases occurred mainly because the job seekers were still in employment or did not require employment service for the time being due to personal reasons including health conditions. According to the snapshot survey (Note 9) conducted in January 2018, of those 900 job seekers who had no placements or referrals in 2017, 218 were still looking for employment, 204 were still in employment and their preferred alternative jobs were not available, 208 had already found jobs on their own, 34 were medically assessed as unfit for open employment, 69 were pending medical assessment reports, 109 were not looking for jobs due to their personal reasons and 58 were out of contact.

3.91 Audit considers that LD needs to monitor the time taken for job seekers with disabilities to successfully have placements and endeavour to help job seekers with disabilities to secure placements, especially those who have waited for a long time without placements.

### ***Need to improve the reporting of the number of placements for job seekers with disabilities***

3.92 LD uses the sum of the number of direct placements and indirect placements for job seekers with disabilities as one of the performance indicators in COR. The sum is derived by adding up:

- (a) direct placements (i.e. achieved by the placement efforts of LD staff); and
- (b) indirect placements (i.e. self-help placement cases where the registered job seekers found the job themselves or with other help).

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**Note 9:** *Since 2014, LD has conducted annual snapshot surveys on the employment situation of each registered job seekers with disabilities in the previous year in January of a year. Information on the reasons for no placement secured for the job seekers has been collected to keep track of the employment situation of job seekers concerned.*



## Employment services for job seekers with disabilities

3.93 LD considers that indirect placements reflect the efforts made by LD staff in securing the placements, e.g. providing job seekers with vocational counselling and helping them improve their job searching skill. To ensure the indirect placement case was related to or attributable to the efforts made by LD staff, only the indirect placements achieved within 12 months after delivery of the counselling service to the job seekers were included.

3.94 In the period from 2014 to 2018, the percentage of indirect placements increased from 20% in 2014 to 33.8% in 2018 (see Table 32).

**Table 32**

**Direct and indirect placements for job seekers with disabilities  
(2014 to 2018)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Change from 2014 to 2018</b>
Direct placements	1,971 (80.0%)	1,869 (77.8%)	1,727 (76.8%)	1,525 (69.2%)	1,468 (66.2%)	-503 (-25.5%)
Indirect placements	493 (20.0%)	532 (22.2%)	523 (23.2%)	678 (30.8%)	751 (33.8%)	+258 (+52.3%)
No. of placements reported in COR	2,464	2,401	2,250	2,203	2,219	-245 (-9.9%)

Source: *Audit analysis of LD records*

3.95 Audit considers that LD needs to report the number of direct and indirect placements separately and disclose the calculation method of the number of indirect placements for job seekers with disabilities in COR.

***Short retention period of placements for job seekers with disabilities***

3.96 Every year, LD collects information on retention period of placements for job seekers with disabilities. Audit analysed the retention period for placements made in the period from 2013 to 2017. Audit noted that there were improvements in the retention period. However, there was still room for improvement:

- (a) 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; and
- (b) 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 (see Table 33).

**Table 33**

**Retention period of placements for job seekers with disabilities  
(2013 to 2017)**

<b>Retention period (month)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
(a) < 1	1,298 (52.7%)	1,210 (49.1%)	1,123 (46.8%)	920 (40.9%)	856 (38.9%)
(b) ≥ 1 to < 2	185 (7.5%)	202 (8.2%)	186 (7.7%)	175 (7.8%)	204 (9.3%)
(c) ≥ 2 to < 3	112 (4.6%)	124 (5.0%)	146 (6.1%)	161 (7.1%)	144 (6.5%)
(d) ≥ 3	866 (35.2%)	928 (37.7%)	946 (39.4%)	994 (44.2%)	999 (45.3%)
<b>Total</b>	<b>2,461 (100%)</b>	<b>2,464 (100%)</b>	<b>2,401 (100%)</b>	<b>2,250 (100%)</b>	<b>2,203 (100%)</b>

Source: Audit analysis of LD records

## Employment services for job seekers with disabilities

3.97 Audit analysed the reasons for employment terminated within three months and noted that, for a majority of the cases in the period from 2013 to 2017, the employment was terminated due to resignation (see Table 34). According to LD, “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 (see Table 35). LD informed Audit in February 2019 that like their able-bodied counterparts, PWDs would also change to other jobs with higher salary and better working condition if such vacancies were available. Under the prevailing tight labour market, it was conceivable that there was relatively high turnover rate of the job seekers. In Audit’s view, LD needs to take measures to help job seekers with disabilities stay in their placements for longer period of time, for example, by matching the requirements of job vacancies against the work abilities of the job seekers and referring jobs which are commensurate with the expectations of job seekers with disabilities on job nature, work environment and work requirements.

**Table 34**

**Reasons for termination within 3 months for placements  
for job seekers of disabilities  
(2013 to 2017)**

<b>Reason</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Resignation	797 (50.0%)	951 (61.9%)	899 (61.8%)	827 (65.8%)	789 (65.5%)
Completion of contract	441 (27.6%)	172 (11.2%)	185 (12.7%)	113 (9.0%)	130 (10.8%)
Dismissal	357 (22.4%)	413 (26.9%)	371 (25.5%)	316 (25.2%)	285 (23.7%)
Total	1,595 (100%)	1,536 (100%)	1,455 (100%)	1,256 (100%)	1,204 (100%)

Source: Audit analysis of LD records

## Employment services for job seekers with disabilities

**Table 35**

**Reasons for resignation within 3 months for placements  
for job seekers with disabilities  
(2013 to 2017)**

<b>Reason</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Dissatisfied with job nature	331 (39.3%)	386 (36.4%)	316 (29.9%)	239 (25.6%)	252 (29.4%)
Unable to perform job	118 (14.0%)	127 (12.0%)	147 (13.9%)	159 (17.0%)	123 (14.4%)
Dissatisfied with work environment	93 (11.0%)	135 (12.7%)	124 (11.7%)	96 (10.3%)	100 (11.7%)
Poor health	72 (8.6%)	90 (8.5%)	94 (8.9%)	99 (10.6%)	89 (10.4%)
Low volition to work	42 (5.0%)	73 (6.9%)	102 (9.6%)	92 (9.9%)	72 (8.4%)
Interpersonal relationship problems	57 (6.8%)	93 (8.8%)	81 (7.7%)	91 (9.7%)	62 (7.2%)
Poor income	28 (3.3%)	52 (4.9%)	63 (6.0%)	56 (6.0%)	55 (6.4%)
Inconvenient work location	32 (3.8%)	43 (4.1%)	49 (4.6%)	40 (4.3%)	35 (4.1%)
Others	69 (8.2%)	61 (5.7%)	81 (7.7%)	62 (6.6%)	69 (8.0%)
<b>Total (Note)</b>	<b>842 (100%)</b>	<b>1,060 (100%)</b>	<b>1,057 (100%)</b>	<b>934 (100%)</b>	<b>857 (100%)</b>

*Source: Audit analysis of LD records*

*Note: The total was greater than the number of job seekers (see Table 34) because one job seeker might give more than one reason for his/her resignation.*

### Audit recommendations

- 3.98 Audit has *recommended* that the Commissioner for Labour should:
- (a) endeavour to achieve the divisional targets on the number of registered job seekers with disabilities and the number of placements;
  - (b) monitor the time taken for job seekers with disabilities to successfully have placements and endeavour to help job seekers with disabilities to secure placements, especially those who have waited for a long time without placements;
  - (c) report the number of direct and indirect placements separately and disclose the calculation method of the number of indirect placements for job seekers with disabilities in COR; and
  - (d) take measures to help job seekers with disabilities stay in their placements for longer period of time, for example, by matching the requirements of job vacancies against the working abilities of job seekers and referring jobs which are commensurate with the expectations of job seekers with disabilities on job nature, work environment and work requirements.

### Response from the Government

3.99 The Commissioner for Labour agrees with the audit recommendations. He has said that while LD will make every endeavour to enhance the employment services for job seekers with disabilities in areas recommended by Audit, the following should be noted:

- (a) each year, divisional targets on the number of registrations received from job seekers with disabilities and the number of placements secured for them are set for internal reference. While the estimated number of placements published in the COR was worked out basing on past experience and other factors like the prevailing labour market situation, the divisional target was sometimes set slightly higher with a view to encouraging LD staff to aim higher in helping job seekers with disabilities secure employment. For example, in 2018, while the estimated number of placements for job seekers with disabilities published in the COR was 2,200, the internal divisional target

## **Employment services for job seekers with disabilities**

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was 2,400. The actual number of placements secured for that year was 2,219 – though not attaining the divisional target that had been purposefully set higher, it did meet the estimated figure in the COR;

- (b) LD has all along been striving to help each job seeker with disabilities find suitable jobs in the labour market. There were cases where placements could not be secured for some job seekers after a relatively longer period of time. According to follow-up surveys conducted by LD, the reasons for this were, among others, job seekers already in employment but looking for better jobs which were not yet available or job seekers not looking for jobs for the time being due to personal reasons. LD would continue to closely monitor the employment situation of each job seeker and render appropriate employment services taking account of their unique situations and preferences; and
  
- (c) with LD's enhanced efforts in providing follow-up service to help job seekers with disabilities adapt to the new posts and support employers better understand the special needs of the employees with disabilities, there was a notable improvement in the retention rate for the job seekers in recent years. However, in light of the prevailing tight labour market, it is conceivable that like their able-bodied counterparts, some job seekers with disabilities may change to better jobs if opportunities arise. Hence, job seekers with disabilities having turnover is not necessarily negative.

### **WOPS**

3.100 WOPS was introduced in April 2005. It aims to encourage 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.

3.101 Employers, who hire job seekers with disabilities through LD under WOPS and provide appropriate coaching or support and appoint a mentor for such employees as well as comply with other requirements of WOPS, will be granted an allowance. Requirements for participating in WOPS are, as follows:

## **Employment services for job seekers with disabilities**

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- (a) the employer must hold a valid Business Registration Certificate;
- (b) the employer must register the job vacancy with LD and have it filled by a job seeker with disabilities registered with LD with the assistance of LD staff;
- (c) the vacancy has to meet the following requirements:
  - (i) length of employment contracts should be 3 months or longer;
  - (ii) working hours should be 15 hours or more per week; and
  - (iii) average wage rate should be no less than the Statutory Minimum Wage rate on average;
- (d) the job seeker with disabilities must not be a member of the family of the employer who is a proprietor of the business in which he/she is employed and who lives in the same dwelling as the proprietor;
- (e) the employer must not have any employment relationship with the job seeker with disabilities within one year prior to the date of employment commencement; and
- (f) if the employer has received or would receive other government funding for payment of salary to this employee with disabilities during the concerned employment period, then the employer could not apply for allowance in respect of the same employee under WOPS.

3.102 In June 2013, the “enhanced WOPS” was launched for employers who employed job seekers with disabilities having employment difficulties. The allowance of enhanced WOPS payable to the employer was increased from \$24,000 to \$35,000 with the allowance period up to 8 months. For the employers hiring job seekers with disabilities who were not assessed as having employment difficulties, the allowance of such “basic WOPS” remained at \$24,000 with the allowance period up to 6 months. With further enhancement since 1 September 2018, the allowance of enhanced WOPS payable to the employer was increased to \$51,000 with the allowance period extended up to 9 months. The allowance of basic WOPS was also increased to \$30,000 with the allowance period up to 6 months. Details are shown in Table 36.

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**Table 36**

**Allowance under WOPS  
(with effective from 1 September 2018)**

Nature	Basic WOPS	Enhanced WOPS
	<b>Hiring a job seeker with disabilities not assessed as having employment difficulties</b>	<b>Hiring a job seeker with disabilities assessed as having employment difficulties</b>
Allowance period	6 months	9 months
Monthly WOPS allowance	Two-thirds of actual salary, subject to a ceiling of \$5,000 per month	1 <sup>st</sup> to 3 <sup>rd</sup> month: Actual salary minus \$500 per month, subject to a ceiling of \$7,000 per month; and  4 <sup>th</sup> to 9 <sup>th</sup> month: Two-thirds of actual salary, subject to a ceiling of \$5,000 per month
Total maximum WOPS allowance	\$30,000 (\$5,000 × 6 months)	\$51,000 (\$7,000 × 3 months + \$5,000 × 6 months)

*Source: LD records*

3.103 The employer is required to appoint an experienced staff as the mentor of the employee with disabilities to coach him/her on relevant job skills, as well as to assist him/her to adapt to the new job environment and integrate with co-workers. A mentor who has successfully assisted an employee with disabilities having employment difficulties to continue with employment after the first three months will be granted a cash award of \$1,500. A mentor who has assisted an employee with disabilities not assessed as having employment difficulties to continue with employment after the first month will be granted a cash award of \$500.



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3.104 LD staff will advise job seekers with disabilities to take part in a short-term PET programme under WOPS with a view to enhancing their chance of employment with the participating employers. On completion of PET, they will receive a training allowance of \$80 per day of training (Note 10).

3.105 For the period from 2014 to 2018, the number of WOPS placements was about 800 per year (see Table 37). After the introduction of enhanced WOPS in June 2013, WOPS expenditure increased from about \$8.6 million in 2013-14 to about \$13 million from 2014-15 to 2017-18 (see Table 38).

**Table 37**

**Number of WOPS placements  
(2014 to 2018)**

<b>Year</b>	<b>Basic WOPS placements (a)</b>	<b>Enhanced WOPS placements (b)</b>	<b>Total WOPS placements (c) = (a) + (b)</b>
2014	31	774	805
2015	11	800	811
2016	21	795	816
2017	28	774	802
2018	24	772	796

*Source: LD records*

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**Note 10:** *The training allowance is also payable to a job seeker with disabilities registered at SPD, no matter whether the job seeker has a WOPS placement or not.*

## Employment services for job seekers with disabilities

**Table 38**

**WOPS expenditure  
(2013-14 to 2017-18)**

	<b>2013-14 (Note) (\$)</b>	<b>2014-15 (\$)</b>	<b>2015-16 (\$)</b>	<b>2016-17 (\$)</b>	<b>2017-18 (\$)</b>
Financial incentive to employers	7,511,741	12,162,559	11,892,301	12,633,105	12,105,121
Cash awards to mentors	314,000	478,000	496,500	528,500	430,000
PET allowance to participants	9,300	9,420	10,920	11,340	7,600
Others (e.g. publicity and administrative expenses)	746,844	577,281	413,004	550,710	443,247
Total	8,581,885	13,227,260	12,812,725	13,723,655	12,985,968

*Source: LD records*

*Note: Since June 2013, LD has introduced the enhanced WOPS to encourage eligible employers to hire job seekers with disabilities who have employment difficulties by increasing the maximum amount of allowance payable for each job seeker with disabilities hired from \$24,000 to \$35,000.*

### ***Low retention rates for WOPS placements***

3.106 After the end of WOPS allowance period (i.e. 6 months for basic WOPS and 8 months for enhanced WOPS), the percentage of WOPS placements with the employees with disabilities still staying in employment were 37.5% (304 of 811 WOPS placements), 38.1% (311 of 816 WOPS placements) and 37.9% (304 of 802 WOPS placements) for 2015, 2016 and 2017 respectively. In the meeting of 16 January 2018, the Panel on Manpower of the Legislative Council expressed grave concern about the low retention rate of WOPS and urged the Government to study the reason for the low retention rate and follow up with the employment status of WOPS participants.

## **Employment services for job seekers with disabilities**

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3.107 In response to Audit enquiry, LD informed Audit in February 2019 that since 2015, LD had been following up the employment status of employees with disabilities placed under WOPS up to the 12<sup>th</sup> month of their employment period. In most cases where job seekers left the jobs before the end of the allowance period, they were looking for better jobs.

3.108 As coaching and support are provided to job seekers with disabilities during WOPS allowance period, Audit considers that LD needs to closely monitor the retention period of job seekers with disabilities under WOPS, especially after the end of WOPS allowance period, and take measures to help them stay longer in their placements.

### ***Decreasing number of participants of PET classes***

3.109 LD regularly runs 1-day PET classes at the three regional offices for job seekers with disabilities with a view to enhancing their chance of employment. On completion of PET, the job seekers will receive a training allowance of \$80 per day of training.

3.110 The number of participants in PET classes decreased by 41.5% from 183 in 2014 to 107 in 2018 (see Table 39). The average number of participants per class also decreased by 38% from 10.8 in 2014 to 6.7 in 2018.

**Table 39**

**Decreased number of participants in PET classes  
for job seekers with disabilities  
(2014 to 2018)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
No. of classes	17	17	19	14	16
No. of participants	183	228	240	99	107
Average no. of participants per class	10.8	13.4	12.6	7.1	6.7

*Source: Audit analysis of LD records*

3.111 In view of the decreased number of participants, LD reviewed PET programme in September 2018 and found that:

- (a) more and more registrants had attained higher educational qualifications, and that more and more registrants had already received some sorts of training on soft skills, such as communication and interpersonal skills, in schools, NGOs and other training bodies before; and
- (b) many registrants were ready to land a job and would welcome a PET which would equip or empower them to secure a job.

3.112 LD planned to incorporate revised contents for classes starting from May 2019, which will focus on drilling of job search skills and practical applications of soft skills in solving problems in work setting.

3.113 In view of the decreasing number of participants in PET programme, Audit considers that LD needs to rationalise the number of PET classes to be held in future. LD also needs to closely monitor the number of participants in PET programme and take effective follow-up action to improve the participation rate.

### ***Performance against published pledges of WOPS not reported***

3.114 In August 2015, the Independent Commission Against Corruption (ICAC) completed a review and issued an assignment report on the administration of WOPS. ICAC recommended that to enhance transparency and ensure timely processing of applications, LD should devise and publicise the performance pledges for processing applications for joining WOPS, and claiming allowances and cash awards.

3.115 In response to the ICAC review, LD has devised and published the following pledges in the website since mid-January 2016:

- (a) issuing approval letter to employer within 14 days after the receipt of the complete application form together with all the documents required; and
- (b) making payment within 6 weeks after the receipt of the complete application form together with all the documents required.

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3.116 In response to Audit enquiry, LD informed Audit in January 2019 that the respective officers in regional offices would monitor the achievements against the published pledges of WOPS. However, LD had not published its performance against the pledges of WOPS.

### **Audit recommendations**

3.117 **Audit has *recommended* that the Commissioner for Labour should:**

- (a) **closely monitor the percentage of WOPS placements staying in employment after the end of allowance period and take measures to help the job seekers with disabilities stay longer in their placements;**
- (b) **rationalise the number of PET classes to be held in future, closely monitor the number of participants in PET programme and take effective follow-up action to improve the participation rate; and**
- (c) **publish the performance against the pledges of WOPS.**

### **Response from the Government**

3.118 The Commissioner for Labour agrees with the audit recommendations. He has said that:

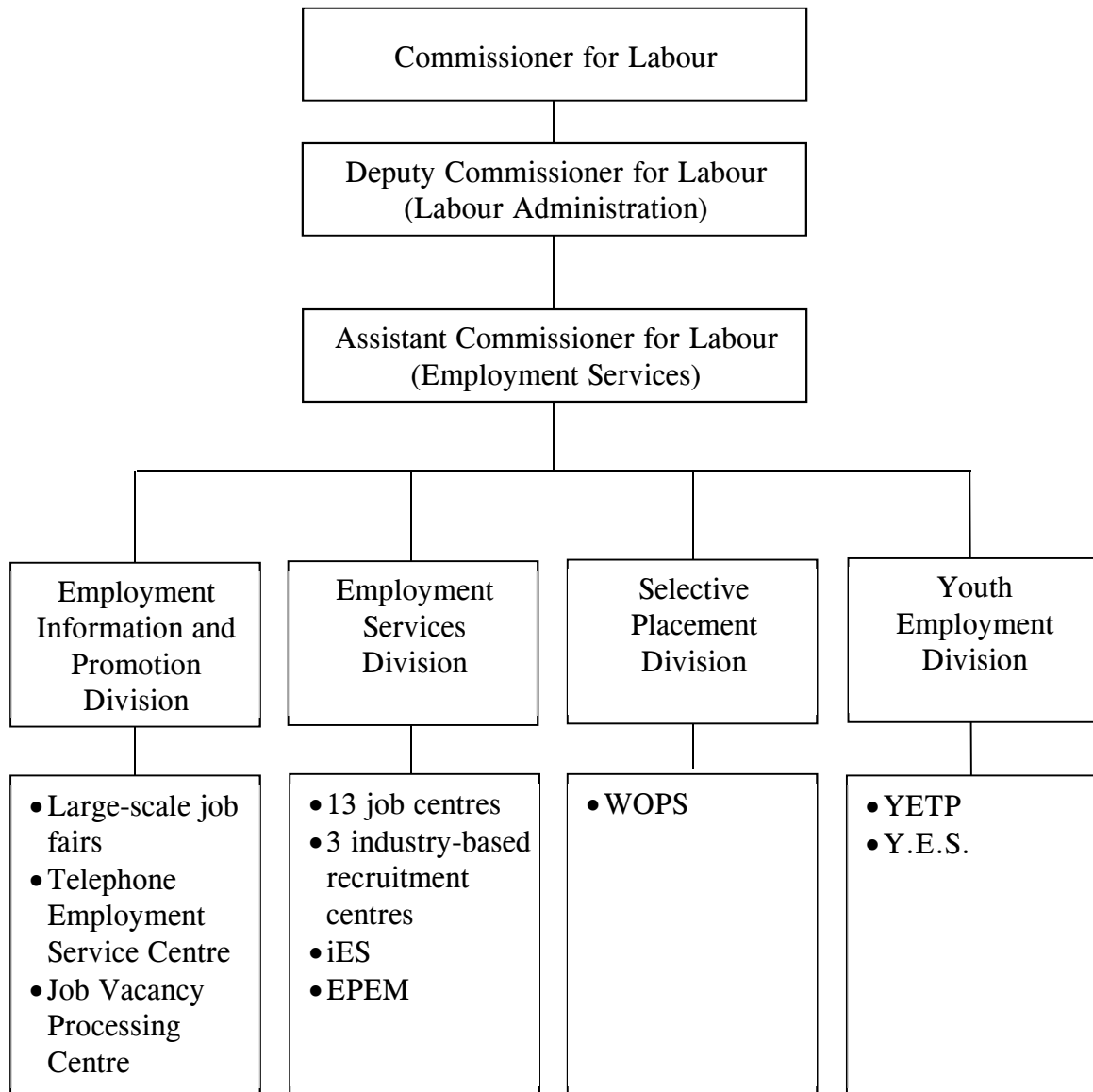
- (a) LD will continue to keep close watch on WOPS placement cases both within and after the allowance period and help the participants of WOPS stay longer in employment;
- (b) since 2015, LD has already stepped up monitoring of WOPS cases by extending the follow-up on the employment situation of employees with disabilities placed under WOPS up to the 12<sup>th</sup> month of employment. The follow-up results showed that the employment of only a small number of employees with disabilities were terminated after the allowance period i.e. less than 3% of WOPS participants in 2015, 2016 and 2017 were dismissed by their employers during the period from the 9<sup>th</sup> to the 12<sup>th</sup> month of employment; and

## **Employment services for job seekers with disabilities**

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- (c) WOPS enhances the work capabilities and competitiveness of job seekers with disabilities through the process of work orientation and training. With on-the-job coaching provided by participating employers under the Scheme, employees with disabilities placed under WOPS would acquire work experience and skills which could enable them to change for better jobs.

**Labour Department: Organisation chart (extract)**  
**(31 December 2018)**



Source: LD records

### Acronyms and abbreviations

Audit	Audit Commission
CIRC	Construction Industry Recruitment Centre
COR	Controlling Officer's Report
EM	Ethnic minority
EOS	Employment in One-stop
EPEM	Employment Programme for the Elderly and Middle-aged
ESA	Employment Services Ambassador
ICAC	Independent Commission Against Corruption
iES	Interactive Employment Service
LD	Labour Department
m <sup>2</sup>	Square metres
Mobile app	Mobile application
NGO	Non-governmental organisation
OJT	On-the-job training
PET	Pre-employment training
PWD	Persons with Disability
RCCI	Recruitment Centre for the Catering Industry
RCRI	Recruitment Centre for the Retail Industry
SPD	Selective Placement Division
WOPS	Work Orientation and Placement Scheme
Y.E.S.	Youth Employment Start
YETP	Youth Employment and Training Programme