

CHAPTER 2

**Labour and Welfare Bureau
Labour Department**

**Labour Department: Employment
support services for young people**

**Audit Commission
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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.

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LABOUR DEPARTMENT: EMPLOYMENT SUPPORT SERVICES FOR YOUNG PEOPLE

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LABOUR DEPARTMENT: EMPLOYMENT SUPPORT SERVICES FOR YOUNG PEOPLE

Executive Summary

1. In his important speech delivered on 1 July 2022 and the Report to the 20th National Congress of the Communist Party of China, President Xi Jinping remarked that, amongst others, “Hong Kong will prosper only when its young people thrive” and “Hong Kong will have a bright future only when its young people have good career prospects”. According to the Youth Development Blueprint published in December 2022, the Government is committed to widening the career development perspectives for young people through various means, including enhancing employability of young people and seizing the development opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and supporting young people who wish to pursue their careers in the area. The Chief Executive of the Hong Kong Special Administrative Region of the People’s Republic of China announced in the 2024 Policy Address that, with a view to strengthening support for youth development, the Government would implement enhancement measures on the employment support services for young people. The Labour Department (LD) provides dedicated employment support services to young people. LD implements the Youth Employment and Training Programme (YETP) to provide career development services, pre-employment training and on-the-job training (OJT) to young people, and operates two Youth Employment Resource Centres, known as Youth Employment Start (Y.E.S.), to provide career advisory services as well as support services on employment and self-employment to young people. It also implements the Greater Bay Area Youth Employment Scheme (GBA YES) to encourage enterprises to engage Hong Kong young people to work in the Mainland cities of GBA. In the financial year 2024-25, the expenditures of YETP, Y.E.S. and GBA YES were \$78.9 million, \$25.2 million and \$63.6 million respectively. The Audit Commission (Audit) has recently conducted a review to examine LD’s employment support services for young people.

Youth Employment and Training Programme

2. *Need to encourage more young people to enrol in YETP.* LD reports the number of young people enrolled in YETP as one of the performance indicators in its

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Controlling Officer's Report (COR). Audit examined the estimated and actual number of young people enrolled in YETP as reported in COR in the period from the programme years 2019/20 to 2023/24 and found that: (a) the number of young people enrolled in YETP decreased by 17% from 3,418 in the programme year 2019/20 to 2,839 in the programme year 2023/24; and (b) the actual number of young people enrolled in YETP fell short of estimated number as set out in COR in all the 5 programme years, ranging from 7% to 24%. YETP previously provided services to young people aged 15 to 24, with educational attainment at sub-degree level or below. Since January 2025, LD has relaxed the age limit of YETP to young people aged 29 or below (i.e. young people aged 25 to 29 have become eligible to enrol in YETP). From the relaxation of age limit in January 2025 to August 2025, the number of young people enrolled in YETP was 3,188. Audit noted that of the 3,188 young people, the proportion of young people aged 25 to 29 enrolled in YETP was relatively low, with only 769 (24%) aged 25 to 29. The proportion of target young people (i.e. unemployed young people with educational attainment at sub-degree level or below) aged 25 to 29 enrolled in YETP was also on the low side (i.e. 11%) when compared to the proportion of target young people aged 15 to 24 enrolled in YETP (i.e. 31%) (paras. 2.2 and 2.5).

3. ***Need to ensure the accuracy of the description of the performance indicator relating to YETP as reported in COR.*** Audit examined the records of applications for enrolment in YETP for the period from the programme years 2019/20 to 2023/24 and found that the number of young people enrolled in YETP as reported in COR included unsuccessful applicants, ranging from 340 to 561 (averaging 438) applicants in each programme year, which accounted for 11% to 16% (averaging 13%) of the number of young people enrolled in YETP in each programme year. In response to Audit's enquiry, LD informed Audit in September 2025 that: (a) the performance indicator in COR was intended to reflect the total number of young people who had applied to join YETP; and (b) LD intended to continue reflecting the total number of YETP applicants and to refine the description of the indicator in COR as "number of young people applied to join YETP" for more accurate presentation (paras. 2.8 and 2.9).

4. ***Need to encourage trainees to use counselling services provided by the service providers.*** According to the service contracts between LD and the service providers, the service providers shall provide career development services via a standard package including 10 hours of counselling services to YETP trainees. Audit analysed LD's records of counselling services provided to 1,738 trainees for the programme year 2023/24 and noted that: (a) 1,305 (75%) trainees were provided with

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less than 10 hours of counselling services; (b) the number of hours of counselling services provided to the 1,305 trainees ranged from 0 to 9.8 hours, averaging 0.9 hours; and (c) 1,041 (80%) of the 1,305 trainees were not provided with any counselling services (paras. 2.14 and 2.15).

5. ***Delays in submission of yearly reports.*** According to the service contracts between LD and the service providers, the service providers are required to submit yearly reports for each awarded contract within one month after the end of each programme year or within such period as specified by LD. According to LD, it would check the yearly reports on whether the service providers have fulfilled their contractual commitments. Audit examined the 195 yearly reports submitted by the service providers for the period from the programme years 2019/20 to 2023/24 and found that 28 (14%) of the 195 yearly reports were submitted with delays. The delays ranged from 1 to 23 days (averaging 8 days) (paras. 2.18 and 2.19).

6. ***Decrease in proportion of trainees attending training courses.*** YETP trainees can attend training courses of the Employees Retraining Board and/or training courses of YETP provided by other training bodies. Audit analysed the number of trainees attending training courses in the period from the programme years 2019/20 to 2023/24. Audit found that: (a) the number of trainees attending training courses decreased by 35% from 1,449 in the programme year 2019/20 to 937 in the programme year 2023/24; and (b) the proportion of trainees attending training courses decreased from 49% in the programme year 2019/20 to 39% in the programme year 2023/24 (para. 2.26).

7. ***Need to encourage more trainees to enrol in workplace attachment training (WPA) and/or OJT.*** According to LD, YETP trainees are encouraged to enrol in WPA and/or OJT to enrich their job skills and experience so as to enhance their employability. Audit analysed the proportion of trainees enrolled in WPA and/or OJT for the period from the programme years 2019/20 to 2023/24. Audit found that while the proportion of trainees enrolled in WPA and/or OJT increased from 53% in the programme year 2019/20 to 59% in the programme year 2022/23, it decreased to 49% in the programme year 2023/24 (paras. 2.35 and 2.36).

8. ***Need to encourage trainees to complete the OJT period.*** According to LD, trainees engaged in OJT are encouraged to complete the OJT period of 6 to 12 months so as to enrich their work experience, vocational skills and qualifications,

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and enhance their employability. Audit examined the OJT records in the period from the programme years 2019/20 to 2023/24 and found that, in each of the programme years, 28% to 36% of trainees (averaging 31%) had not completed the OJT period of 6 to 12 months (para. 2.39).

9. ***Room for improvement in inspections on WPA and OJT.*** According to LD's guidelines, LD conducts inspections on WPA and OJT to update the training progress of trainees and to safeguard their rights. Audit examination of the submission of 112 WPA inspection reports and 502 OJT inspection reports in the period from the programme years 2019/20 to 2023/24 revealed that some inspection reports were submitted with delays: (a) 13 (12%) of the 112 WPA inspection reports were submitted with delays. The delays ranged from 2 to 38 working days (averaging 6.5 working days); and (b) 7 (1%) of the 502 OJT inspection reports were submitted with delays. The delays ranged from 1 to 42 working days (averaging 12 working days) (para. 2.42).

Youth Employment Start

10. ***Decreasing number of registered Y.E.S. members.*** Young people aged between 15 and 29 who are legally employable in Hong Kong are eligible to become Y.E.S. members and have free access to various Y.E.S. facilities and services. Audit analysed the number of registered Y.E.S. members in the period from 31 December 2020 to 30 June 2025 and noted that: (a) the number of registered Y.E.S. members was decreasing. It decreased by 51% from 67,174 as at 31 December 2020 to 32,707 as at 30 June 2025; and (b) the proportion of target young people registered as Y.E.S. members decreased from 11.1% as at 31 December 2020 to 7.0% as at 30 June 2025 (para. 3.2).

11. ***Need to encourage members to use Y.E.S. services and facilities.*** Of the 32,707 Y.E.S. members as at 30 June 2025, 26,591 (81%) had not used the services or facilities of Y.E.S. for one year or more. In 2022, the Y.E.S. operator launched the Reactivation Programme to attract the less active members (i.e. those who had not used the services or facilities of Y.E.S. for one year or more) to use the services and facilities of Y.E.S. According to the service contracts between LD and the Y.E.S. operator, the Y.E.S. operator should arrange not less than 10 specific activities in each Y.E.S. during the contract period for those less active members. In the period from the commencement of the Reactivation Programme in August 2022 to June 2025,

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the Y.E.S. operator had sent invitations to 23,317 less active members through emails to invite them to attend the specific activities. However, Audit noted that only 125 (0.5%) less active members had participated in these activities (paras. 3.6 and 3.7).

12. ***Room for improvement in conducting inspections on training activities.*** According to LD, inspections are conducted to ensure that the training activities organised by Y.E.S. align with the training objectives, uphold training quality, and observe members' responses during the courses. Audit noted that: (a) there was no annual target for the number of inspections to be conducted. In the period from 2020 to 2024, the number of inspections conducted each year ranged from 12 to 80, and there was no documentary evidence showing how the number of inspections conducted each year was determined; (b) LD's guidelines did not stipulate the criteria for selecting training activities for conducting inspections; (c) there were no guidelines or checklists on the risk areas to be inspected by LD staff during the inspections; and (d) there was no documentation on the findings of the inspections conducted and the follow-up actions to be taken (para. 3.20).

13. ***Need to encourage members to use career assessment kit and consultation services.*** According to LD, Y.E.S. members can make use of a career assessment kit to understand their career interests, personality, emotional intelligence, career maturity and entrepreneurship potentials in a more comprehensive way. Y.E.S. members are recommended to make an appointment with the career consultant to analyse the results of the career assessment kit. This will assist the members to better understand their potentials and choose a suitable career path. As at 30 June 2025, there were 32,707 Y.E.S. members. Audit analysed the proportion of the 32,707 Y.E.S. members who had used the career assessment kit and the consultation services in the period from 2020 to 2025 (up to 30 June 2025) and noted that there was room for improvement in improving the utilisation of the career assessment kit and the consultation services. Of the 32,707 members, 6,214 (19%) had used the career assessment kit and 3,168 (10%) had used the consultation services (paras. 3.22 and 3.23).

14. ***Need to encourage members to attend recruitment events.*** Recruitment events are organised by the Y.E.S. operator for Y.E.S. members to attend recruitment interviews with the participating corporations with a view to securing job offers. Audit examined the attendance of the 183 recruitment events organised in the period from 2020 to 2025 (up to 30 June 2025). Audit noted that the attendance of each

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event ranged from 1 to 56 members (averaging 13 members). 98 (53%) recruitment events only had attendance of 10 or fewer members (paras. 3.26 and 3.27).

15. ***Need to improve utilisation of some facilities.*** There are various facilities at Y.E.S., including the business room and the design corner. Audit examined the utilisation records of the facilities at Y.E.S. in the period from 2020 to 2024 and noted that there was room for improvement in the utilisation of some facilities: (a) for the business room at Kwai Fong Y.E.S., the number of idle days ranged from 122 to 181 days each year (or 55% to 73% of the opening days of Y.E.S. each year). For the business room at Mong Kok Y.E.S., the number of idle days increased by 191% from 43 in 2020 to 125 in 2024 (or 26% to 43% of the opening days of Y.E.S. each year); and (b) for the design corner at Kwai Fong Y.E.S., the number of idle days ranged from 146 to 265 days (or 65% to 89% of the opening days of Y.E.S. each year). For the design corner at Mong Kok Y.E.S., the number of idle days ranged from 148 to 269 days (or 83% to 97% of the opening days of Y.E.S. each year) (paras. 3.34 and 3.35).

Greater Bay Area Youth Employment Scheme

16. ***Discrepancy between expected and actual number of university graduates benefitted from the regularised GBA YES.*** The pilot GBA YES was launched in January 2021 to help young people seize the opportunities for career development in GBA. GBA YES was regularised in March 2023. In April 2023, LD informed the Panel on Manpower of the Legislative Council that the regularised GBA YES was expected to benefit 1,000 university graduates each year. Audit noted that the actual number of university graduates benefitted from the regularised GBA YES fell short of the expected number in 2023 and 2024. In 2023 and 2024, the number of university graduates benefitted from the regularised GBA YES was 718 and 417 respectively. The discrepancy between the expected number and the actual number of university graduates benefitted from the regularised GBA YES was 282 (i.e. 28%) in 2023 and 583 (i.e. 58%) in 2024. In response to Audit's enquiry, LD informed Audit in July and September 2025 that with effect from January 2025, the eligibility requirement of GBA YES had been relaxed to include young people with sub-degree or higher qualifications. After the relaxation of the eligibility requirement, the expected number of young people to be benefitted from GBA YES had been revised to 700 each year. Audit considers that LD needs to keep under review the participation situation of GBA YES after the relaxation of eligibility requirement and

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take measures to encourage more young people to participate in GBA YES (paras. 4.2 to 4.4).

17. ***Need to fill job vacancies offered by enterprises.*** Audit examined the records of job vacancies offered by enterprises in the period from the launch of the pilot GBA YES in January 2021 to December 2024 and noted that less than half of the vacancies offered by enterprises were filled: (a) 1,091 (31%) of 3,494 vacancies offered by enterprises under the pilot GBA YES were filled; and (b) up to 30 June 2025, 1,135 (24%) of 4,726 vacancies offered by enterprises under the regularised GBA YES in the period from March 2023 to December 2024 were filled (para. 4.6).

18. ***Need to encourage employed young people to complete the 18-month employment period.*** According to LD, employed young people under GBA YES are encouraged to complete the 18-month employment period so as to gain experience in GBA, develop professional skills, broaden their horizons and enhance connection with the Mainland, which will be beneficial to their career development. Audit examined the employment records of the employed young people under the pilot GBA YES and the regularised GBA YES in the 2023 cohort. Audit noted that: (a) of the 1,091 employed young people under the pilot GBA YES, 404 (37%) young people did not complete the 18-month employment period; and (b) of the 718 employed young people under the regularised GBA YES in the 2023 cohort, as at 30 June 2025, 349 (49%) young people did not complete the 18-month employment period (para. 4.9).

19. ***Need to ensure that preliminary applications for allowances are submitted in a timely manner.*** According to LD's guidelines, after employing the young people, enterprises must complete the form of "Preliminary Application for Allowance and Accommodation Arrangement", and return the completed form together with the necessary supporting documents to LD for vetting no later than 7 working days upon the commencement of employment of the young people. Audit reviewed LD's processing of the 2,288 preliminary applications for allowances approved by LD in the period from the launch of the pilot GBA YES in January 2021 to June 2025 and noted that for 397 (17%) preliminary applications, there were delays in submission. The delays ranged from 1 to 117 working days (averaging 15 working days) (paras. 4.23 and 4.24).

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20. ***Site inspections not conducted.*** According to LD's guidelines, LD has the right to conduct site inspections of the workplaces to follow up with employed young people under GBA YES of their adaptation to work and require enterprises to submit relevant documents, such as attendance records and payroll records of the employed young people for inspection. However, Audit noted that: (a) since the launch of the pilot GBA YES in January 2021 up to June 2025, LD had not conducted any site inspections to workplaces in the Mainland; and (b) there were no guidelines on the target number of site inspections to be conducted each year, the scope of checks to be conducted, the basis for selecting enterprises for conducting site inspections, and the follow-up actions on the findings identified from the site inspections (paras. 4.29 and 4.30).

21. ***Need to consider setting performance targets or indicators on GBA YES.*** According to LD, GBA YES is an important initiative to help young people seize the opportunities for career development in GBA. Audit noted that while the performance indicators relating to YETP and Y.E.S. had been reported in COR, no performance targets or indicators on GBA YES were reported in COR (para. 4.42).

Audit recommendations

22. **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:**

Youth Employment and Training Programme

- (a) **take measures to prepare the estimated number of young people enrolled in/applied to join YETP as reported in COR as accurately as possible (para. 2.11(a));**
- (b) **keep under review the enrolment situation of YETP and take measures to encourage more young people, including those aged 25 to 29, to enrol in YETP as far as possible (para. 2.11(b));**
- (c) **take measures to ensure the accuracy of the description of the performance indicator relating to YETP as reported in COR (para. 2.11(c));**

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- (d) take measures to encourage YETP trainees to use the counselling services provided by the service providers (para. 2.24(a));
- (e) take measures to ensure that yearly reports are submitted by YETP service providers of career development services within the specified timeframe (para. 2.24(b));
- (f) take measures to encourage more YETP trainees to enrol in training (para. 2.33(a));
- (g) step up efforts to encourage more YETP trainees to enrol in WPA and/or OJT to enrich their job skills and experience so as to enhance their employability (para. 2.47(a));
- (h) take measures to encourage YETP trainees to complete the OJT period (para. 2.47(b));
- (i) take measures to improve the inspections on WPA and OJT, including ensuring that WPA and OJT inspection reports are submitted within the specified timeframes (para. 2.47(c));

Youth Employment Start

- (j) step up measures to increase the number of registered Y.E.S. members (para. 3.14(a));
- (k) take further measures to encourage Y.E.S. members to use the services and facilities of Y.E.S. (para. 3.14(b));
- (l) take measures to enhance the guidelines on the inspections of Y.E.S. training activities (para. 3.37(d));
- (m) take measures to promote the use of career assessment kit and the consultation services to Y.E.S. members who have career guidance needs (para. 3.37(e));

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- (n) take further measures to encourage more Y.E.S. members to attend the recruitment events (para. 3.37(f));
- (o) ascertain the reasons for the low utilisation of some Y.E.S. facilities and take measures to improve the utilisation of Y.E.S. facilities with low utilisation (para. 3.37(h));

Greater Bay Area Youth Employment Scheme

- (p) keep under review the participation situation of GBA YES after the relaxation of eligibility requirement and take measures to encourage more young people to participate in GBA YES (para. 4.17(a));
- (q) take further measures to facilitate young people to fill the job vacancies offered by enterprises under GBA YES (para. 4.17(b));
- (r) analyse the reasons for premature employment termination and take effective measures to encourage the employed young people under GBA YES to complete the 18-month employment period (para. 4.17(c));
- (s) take measures to ensure that preliminary applications for allowances of GBA YES are submitted by enterprises in a timely manner (para. 4.27(b));
- (t) conduct site inspections to enterprises of GBA YES as far as possible and promulgate guidelines on site inspections to enterprises of GBA YES (para. 4.48(a) and (b)); and
- (u) consider setting performance targets or indicators on GBA YES (para. 4.48(e)).

Response from the Government

23. 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

1.2 In his important speech delivered on 1 July 2022 and the Report to the 20th National Congress of the Communist Party of China, President Xi Jinping remarked that, amongst others, “Hong Kong will prosper only when its young people thrive” and “Hong Kong will have a bright future only when its young people have good career prospects”. According to the Government, it will assist young people in capitalising the enormous opportunities brought by the national development and encourage them to integrate into the overall development of the Country, so that they will take on the responsibility of advancing the great rejuvenation of our nation and make contributions. According to the Youth Development Blueprint published in December 2022, the Government is committed to widening the career development perspectives for young people through various means, including enhancing employability of young people and seizing the development opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and supporting young people who wish to pursue their careers in the area. The Chief Executive of the Hong Kong Special Administrative Region (HKSAR) of the People’s Republic of China announced in the 2024 Policy Address that, with a view to strengthening support for youth development, the Government would implement enhancement measures on the employment support services for young people (Note 1).

1.3 ***Labour force and unemployment rate of young people.*** The Census and Statistics Department (C&SD) conducts General Household Survey to collect information on, amongst others, the labour force and unemployment. According to C&SD, labour force refers to the land-based non-institutional population aged 15 and over who satisfy the criteria for being classified as employed or unemployed persons:

Note 1: *The enhancement measures include raising the upper age limit for participants and providing additional workplace attachment opportunities in GBA under the Youth Employment and Training Programme (see para. 1.7(e)) and relaxing eligibility requirements of participants and increasing the limit of monthly allowance granted to enterprises under the Greater Bay Area Youth Employment Scheme (see para. 1.9).*

Introduction

- (a) ***Employed persons.*** Employed persons refer to those persons aged 15 or 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; and

- (b) ***Unemployed persons.*** Unemployed persons refer to those persons aged 15 or over who fulfil the following conditions:
 - (i) have not had a job and have not performed any work for pay or profit during the 7 days before enumeration;

 - (ii) have been available for work during the 7 days before enumeration; and

 - (iii) have sought work during the 30 days before enumeration.

If a person aged 15 or over fulfils the conditions (i) and (ii) 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.

1.4 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.

1.5 In the period from 2020 to 2024, the unemployment rates of young people aged 15 to 24 and those aged 25 to 29 were significantly higher than the overall unemployment rates in Hong Kong (Note 2). In 2024, while the overall unemployment rate was 3.0%, the unemployment rates of young people aged 15 to 24 and those aged 25 to 29 were 9.5% and 4.5% respectively (see Table 1).

Note 2: *According to the Labour Department, youth unemployment rates exceeding the overall unemployment rates is a global phenomenon.*

Table 1
Labour force and unemployment rates of young people
(2020 to 2024)

Year	Aged 15 to 24		Aged 25 to 29		Overall unemployment rate
	Labour force ('000)	Unemployment rate	Labour force ('000)	Unemployment rate	
2020	228.2	15.6%	425.8	7.2%	5.8%
2021	205.0	12.8%	409.5	6.1%	5.2%
2022	181.9	11.0%	381.3	5.7%	4.3%
2023	185.9	8.9%	372.1	4.5%	2.9%
2024	175.1	9.5%	350.3	4.5%	3.0%

Source: Audit Commission analysis of C&SD records

Remarks: According to the latest statistics released by C&SD, the provisional figures of unemployment rates for the period from June 2025 to August 2025 of young people aged 15 to 24 and those aged 25 to 29 were 13.5% and 5.4% respectively. The overall unemployment rate for the period was 3.7%. According to the Labour and Welfare Bureau, the increase in unemployment rates of young people for the period was attributable to the influx of fresh graduates and school leavers entering the labour market.

Employment support services for young people provided by the Labour Department

1.6 The Labour Department (LD) provides dedicated employment support services to young people. LD implements the Youth Employment and Training Programme (YETP) to provide career development services, pre-employment training and on-the-job training (OJT) to young people, and operates two Youth Employment

Resource Centres, known as Youth Employment Start (Y.E.S.), to provide career advisory services as well as support services on employment and self-employment to young people. It also implements the Greater Bay Area Youth Employment Scheme (GBA YES) to encourage enterprises to engage Hong Kong young people to work in the Mainland cities of GBA.

1.7 **YETP.** YETP (Note 3) provides a comprehensive platform of job search for young people aged 15 to 29 (Note 4) with educational attainment at sub-degree level or below. Applicants must hold valid Hong Kong Identity Cards and are lawfully employable in Hong Kong. According to LD, 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. Trainees can join YETP at any time of a year and are provided with the following support and training for 12 months:

- (a) **Career development services.** LD engages non-governmental organisations (NGOs) to provide career development services. Trainees are provided with personalised career guidance, job search assistance, training and post-employment support by professional social workers as career advisors in the form of 12 months' career development services (basic service period). Upon expiry of the first 12 months' career development services, trainees who have secured employment may receive extended career development services for another 12 months (extended service period), so as to better assist them to settle in their jobs, overcome problems at workplaces and pursue further learning and skills upgrading opportunities;
- (b) **Training courses.** LD engages training institutions and collaborates with the Employees Retraining Board (ERB) to provide training courses. Trainees may enrol in training courses of ERB or YETP with the assistance from their career advisors:

Note 3: *The Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme, launched by LD in 1999 and 2002 respectively, were merged into YETP in 2009.*

Note 4: *YETP previously provided services to young people aged 15 to 24 with educational attainment at sub-degree level or below. The enrolment age of YETP has been relaxed to cover young people aged 15 to 29 with effect from January 2025.*

Introduction

- (i) **Training courses of ERB.** ERB provides different types of training courses, including tailor-made courses for young people and vocational skills courses covering various industries (e.g. Placement-tied Courses and Skills Upgrading Courses). Trainees enrolled in ERB courses with the assistance from career advisors are exempted from attending admission interviews but are still required to meet the relevant entry requirements for the courses; and
- (ii) **Training courses of YETP.** Subject to different service needs, YETP arranges training courses for special employment projects or specific service targets. Special employment projects are organised on need basis at irregular intervals;

Trainees will receive a training allowance at a rate of \$167 per valid training day for “Youth Training Programme” courses of ERB, while that for other ERB courses and YETP courses at a rate of \$333 per day, if they have an attendance rate of 80% or above (Note 5);

- (c) **Workplace attachment training (WPA).** Trainees may undergo a one-month WPA. There is no employment relationship between the trainees and the host organisations. An allowance of \$8,000 is payable to the trainees who have completed the training with an attendance rate of 80% or above (Note 6);

Note 5: *The amount of training allowance payable to a trainee for attending YETP 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 for the period from 1 September 2017 to 31 March 2023. Upon the collaboration with ERB, the allowance was further increased to \$241 (in line with the retraining allowance of ERB) for the period from 1 April 2023 to 22 February 2024. The current amount of training allowance was effective since 23 February 2024.*

Note 6: *The amount of WPA 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 for the period from 1 September 2017 to 31 December 2019, to \$5,800 for the period from 1 January 2020 to 30 June 2023, and to \$7,300 for the period from 1 July 2023 to 31 May 2025. The current amount of training allowance was effective since 1 June 2025.*

- (d) **OJT.** Trainees are engaged as employees under full-time or part-time OJT of 6 to 12 months with salary. Employers appoint current staff with relevant work experience as trainees' mentors and provide appropriate guidance at work. Employers who engage trainees in 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 and up to a maximum of \$5,000 per month per trainee (Note 7). During OJT period, trainees may enrol in relevant off-the-job vocational training courses or examinations. Trainees may apply for reimbursement of course or examination fees up to \$4,000 from YETP; and
- (e) **Greater Bay Area Work Experience Attachment Programme (GBA WEP).** Launched in 2025, GBA WEP provides YETP trainees aged 18 to 29 with one-month workplace attachment opportunities in the Mainland cities of GBA, during which GBA WEP provides trainees with free accommodation, enabling them to experience the local work culture and understand the development opportunities in GBA. Trainees are eligible for a training allowance of \$8,000 provided that they complete GBA WEP with an attendance rate of 80% or above.

In the programme year (Note 8) 2023/24, there were 2,839 trainees under YETP.

1.8 **Y.E.S.** LD operates two Y.E.S., namely the Mong Kok Y.E.S. (total floor area: 330 square metres) set up in December 2007 and the Kwai Fong Y.E.S. (total floor area: 480 square metres) set up in March 2008. LD engages an NGO to operate the two centres. The NGO receives monthly operating fees from the Government under service contracts. Y.E.S. provides young people aged between 15 and 29 who are legally employable in Hong Kong with one-stop career advisory services, value-added training and self-employment support service. The career advisory

Note 7: *The amount of OJT allowance payable to an employer was \$2,000 for the period from 1 September 2009 to 31 May 2013. The allowance was increased to \$3,000 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 for the period from 1 September 2018 to 31 August 2020. The maximum amount of OJT allowance was increased to \$5,000 since 1 September 2020.*

Note 8: *A programme year starts on 1 September of a year and ends on 31 August of the following year.*

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services include, amongst others, career consultation and professional counselling services, and mock interview service. Y.E.S. members have free access to various Y.E.S. facilities and services. Membership is valid for 12 months and is automatically renewed on a yearly basis if the members meet the eligibility criteria. As at 30 June 2025, there were 32,707 members.

1.9 **GBA YES.** To help young people seize the opportunities for career development in GBA, the Chief Executive of HKSAR announced in the 2020 Policy Address that the Government would launch GBA YES. In January 2021, the pilot GBA YES was launched. In March 2023, upon the positive feedback from both the enterprises and young people, LD launched the regularised scheme (i.e. the regularised GBA YES) to continue to encourage enterprises to engage Hong Kong young people to work in the Mainland cities of GBA. Young people who are legally employable Hong Kong residents aged 29 or below with educational attainments awarded by higher education institutions within or outside Hong Kong at sub-degree level or above (Note 9) are eligible to join GBA YES. Under GBA YES, enterprises with businesses in both Hong Kong and the Mainland cities of GBA that employ eligible Hong Kong young people in accordance with Hong Kong Laws and station them in the Mainland cities of GBA to work may apply for allowance from the Government covering 60% of each young person's monthly salary, up to \$12,000 per month for a period up to 18 months per employed young person (Note 10). Enterprises must offer a monthly wage of no less than \$18,000 for young people holding bachelor's degrees or above and offer salaries at a level comparable with the market rate for young people with sub-degree qualifications. As at 30 June 2025, 1,091 and 1,382 young people were employed under the pilot GBA YES and the regularised GBA YES respectively.

1.10 **Expenditures.** The expenditures of YETP, Y.E.S. and GBA YES were as follows:

Note 9: *From January 2021 to December 2024, young people awarded bachelor's degrees or above within the past three years of the respective scheme year were eligible to participate in GBA YES. With effect from January 2025, the eligibility requirement of GBA YES was relaxed to include young people aged 29 or below with sub-degree or higher qualifications.*

Note 10: *The limit of allowance payable to an enterprise was \$10,000 per month per young person for the period from January 2021 to December 2024. The limit of allowance was increased to \$12,000 per month per young person participating in GBA YES from January 2025 onwards.*

- (a) **YETP.** In the period from the financial years 2020-21 to 2024-25, the total expenditure of YETP was \$469.1 million. In the financial year 2024-25, the expenditure of YETP was \$78.9 million (see Table 2), including \$44.7 million of training subsidies paid to employers for OJT and \$10.1 million of career development service fees paid to service providers;
- (b) **Y.E.S.** In the period from the financial years 2020-21 to 2024-25, the total expenditure of Y.E.S. was \$115.1 million. In the financial year 2024-25, the expenditure of Y.E.S. was \$25.2 million (see Table 2); and
- (c) **GBA YES.** The cumulative expenditure of the pilot and the regularised GBA YES from January 2021 (i.e. the launch of the pilot GBA YES) to June 2025 was \$223.8 million. In the financial year 2024-25, the total expenditure of the pilot and the regularised GBA YES was \$63.6 million (see Table 2).

Table 2

**Expenditures of YETP, Y.E.S. and GBA YES
(Financial year 2024-25)**

Employment support services for young people	Expenditure (\$ million)
YETP	78.9
Y.E.S.	25.2
GBA YES	63.6
Total	167.7

Source: LD records

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Responsible divisions of LD

1.11 Two divisions under LD's Labour Administration Branch are responsible for providing dedicated employment support services to young people (Note 11):

- (a) ***Youth Employment Division.*** The Youth Employment Division is responsible for overseeing, administering and reviewing YETP and Y.E.S., which provide comprehensive employment support and training services to young people; and
- (b) ***Greater Bay Area Youth Employment Division.*** The Greater Bay Area Youth Employment Division is responsible for the planning, organisation, liaison, coordination, promotion, monitoring, implementation and review functions of GBA YES after regularisation.

As at 30 June 2025, the two Divisions had staff establishment of 101 and staff strength of 89 (Note 12). An extract of organisation chart of LD is shown at Appendix A. In the financial year 2024-25, the total expenditure (including the expenditures of YETP, Y.E.S. and GBA YES (see para. 1.10) and the administrative expenditure) of the two Divisions was \$224.2 million (Note 13).

Audit review

1.12 In May 2025, the Audit Commission (Audit) commenced a review to examine LD's employment support services for young people. This audit has focused on the following areas:

- (a) Youth Employment and Training Programme (PART 2);

Note 11: *Other divisions under LD also provide a wide range of general employment support services to job seekers (including young people) through job centres, industry-based recruitment centres, a Telephone Employment Service Centre and a Job Vacancy Processing Centre.*

Note 12: *As at 30 June 2025, the staff strength of the Youth Employment Division and the Greater Bay Area Youth Employment Division was 68 and 21 respectively.*

Note 13: *In the financial year 2024-25, the expenditures of the Youth Employment Division and the Greater Bay Area Youth Employment Division were \$150.5 million and \$73.7 million respectively.*

- (b) Youth Employment Start (PART 3); and
- (c) Greater Bay Area Youth Employment Scheme (PART 4).

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

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

- (a) LD is committed to supporting the personal and career development of young people through various employment support services including providing career information and guidance, running pre-employment training courses, and disbursing OJT allowance to employers taking on young people, etc.;
- (b) to this end, the 2024 Policy Address announced a number of initiatives to strengthen LD's youth employment services, including raising the upper age limit for participants of YETP from 24 to 29, introducing workplace attachment opportunities in GBA under YETP, relaxing eligibility requirements to allow young people aged 29 or below with sub-degree or higher qualifications to join GBA YES, and increasing the monthly allowance granted to enterprises under GBA YES to \$12,000; and
- (c) LD will continue to keep a close watch on the employment market situation and strive to provide appropriate services to cater for the changing needs of young people. LD will also continue to review the need and effectiveness of various youth employment support programmes against the demographic and employment situation changes in Hong Kong.

Acknowledgement

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

PART 2: YOUTH EMPLOYMENT AND TRAINING PROGRAMME

2.1 This PART examines the issues related to YETP, focusing on the following areas:

- (a) enrolment of trainees (paras. 2.2 to 2.12);
- (b) career development services (paras. 2.13 to 2.25);
- (c) training courses (paras. 2.26 to 2.34);
- (d) WPA, OJT and GBA WEP (paras. 2.35 to 2.48);
- (e) trainee and employer surveys (paras. 2.49 to 2.56); and
- (f) effectiveness of YETP (paras. 2.57 to 2.62).

Enrolment of trainees

Need to encourage more young people to enrol in YETP

2.2 LD reports the number of young people enrolled in YETP as one of the performance indicators in its Controlling Officer's Report (COR). Audit examined the estimated and actual number of young people enrolled in YETP as reported in COR in the period from the programme years 2019/20 to 2023/24 and found that:

- (a) ***Number of young people enrolled in YETP decreased.*** The number of young people enrolled in YETP decreased by 17% from 3,418 in the programme year 2019/20 to 2,839 in the programme year 2023/24; and
- (b) ***Shortfall in number of young people enrolled in YETP.*** The actual number of young people enrolled in YETP fell short of estimated number as set out in COR in all the 5 programme years, ranging from 7% to 24% (see Table 3).

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Table 3

**Estimated and actual number of young people enrolled in YETP
(Programme years 2019/20 to 2023/24)**

Number	2019/20	2020/21	2021/22	2022/23	2023/24
Estimated (a)	4,500	4,500	4,000	3,300	3,100
Actual (Note 1) (b)	3,418 (Note 2)	4,191 (Note 2)	3,222 (Note 2)	3,053	2,839
Shortfall (c) = (a) – (b)	1,082 (24%)	309 (7%)	778 (19%)	247 (7%)	261 (8%)

Source: Audit analysis of LD records

Note 1: According to LD, target young people of YETP refers to the unemployed young people with educational attainment at sub-degree level or below. In the period from the programme years 2019/20 to 2023/24, the proportion of target young people enrolled in YETP ranged from 20% to 33% in each programme year.

Note 2: According to LD, in the programme years 2019/20 to 2021/22, the number of young people enrolled in YETP was affected by the coronavirus disease (COVID-19) epidemic.

2.3 In response to Audit’s enquiry, LD informed Audit in August and September 2025 that:

- (a) the estimated number of young people enrolled in YETP as reported in COR was derived by making reference to the enrolment figures in recent years and taking into account the economic conditions, labour market trends as well as possible impact of policy initiatives;
- (b) enrolment in YETP was demand-driven, and the actual number of young people enrolled in YETP was affected by various socio-economic factors, for which some of them were difficult to predict, including:
 - (i) the economy and the labour market situation;

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- (ii) the availability of more channels for secondary school graduates to further their studies and receive training;
 - (iii) the declining youth population; and
 - (iv) young people in Hong Kong have increasingly embraced the “slasher” lifestyle, which involves juggling multiple part-time/freelance jobs rather than committing to a single full-time role. Owing to the irregular schedules of slashers, they might find it difficult/not preferable to enrol in YETP activities (e.g. training courses and OJT) with fixed schedules; and
- (c) LD intended to refine the description of the indicator relating to YETP in COR as “number of young people applied to join YETP” for more accurate presentation (see para. 2.9(b)).

2.4 In view of the decrease in number of young people enrolled in YETP and the shortfall in number of young people enrolled in YETP from the programme years 2019/20 to 2023/24, Audit considers that LD needs to take measures to prepare the estimated number of young people enrolled in/applied to join YETP as reported in COR as accurately as possible.

2.5 *Need to keep in view enrolment situation after relaxation of age limit.* YETP previously provided services to young people aged 15 to 24, with educational attainment at sub-degree level or below. Since January 2025, LD has relaxed the age limit of YETP to young people aged 29 or below (i.e. young people aged 25 to 29 have become eligible to enrol in YETP). In the programme year 2024/25, the number of young people enrolled in YETP was 4,059. From the relaxation of age limit in January 2025 to August 2025, the number of young people enrolled in YETP was 3,188. Audit noted that of the 3,188 young people:

- (a) the proportion of young people aged 25 to 29 enrolled in YETP was relatively low, with only 769 (24%) aged 25 to 29; and
- (b) the proportion of target young people (i.e. unemployed young people with educational attainment at sub-degree level or below) aged 25 to 29 enrolled in YETP was also on the low side (i.e. 11%) when compared to the

proportion of target young people aged 15 to 24 enrolled in YETP (i.e. 31%).

2.6 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) young people aged 25 to 29 were in general more capable of seeking employment in the open market as they were more mature and might have some work experience; and
- (b) the relaxation of age limit allowed young people aged 25 to 29 who were still in need of the employment support services to join YETP. Thus, the proportion of young people aged 25 to 29 joining YETP was expected to be lower than that of young people aged 15 to 24.

2.7 Given the higher unemployment rates of young people aged 15 to 24 and those aged 25 to 29 than the overall unemployment rates (see para. 1.5) and the relatively low proportion of young people aged 25 to 29 enrolled in YETP, Audit considers that LD needs to keep under review the enrolment situation of YETP and take measures to encourage more young people, including those aged 25 to 29, to enrol in YETP as far as possible.

Need to ensure the accuracy of the description of the performance indicator relating to YETP as reported in COR

2.8 Upon receipt of applications for enrolment in YETP, LD refers the applicants to the service providers (i.e. NGOs engaged by LD) of career development services (depending on the trainees' preferences on the service providers and the service regions) for conducting initial screening interviews (Note 14). During the initial screening interviews, service providers vet the eligibility of the applicants for enrolling in YETP (e.g. the applicants' age and educational attainment). Audit examined the records of applications for enrolment in YETP for the period from the programme years 2019/20 to 2023/24 and found that:

Note 14: *According to LD, those applicants who are referred by the Vocational Training Council are not subject to initial screening interviews.*

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- (a) 340 to 561 (averaging 438) applicants were unsuccessful applicants in each programme year. Unsuccessful applicants refer to applicants who could not be contacted by the service providers for conducting initial screening interviews, withdrew their applications, or were screened out during the initial screening interviews (Note 15). Those unsuccessful applicants would not receive further services from YETP; and
- (b) the number of young people enrolled in YETP as reported in COR included those unsuccessful applicants, accounting for 11% to 16% (averaging 13%) of the number of young people enrolled in YETP in each programme year (see Table 4).

Table 4

**Number of unsuccessful applicants included in the number of young people enrolled in YETP as reported in COR
(Programme years 2019/20 to 2023/24)**

	2019/20	2020/21	2021/22	2022/23	2023/24
Number of young people enrolled in YETP as reported in COR	3,418	4,191	3,222	3,053	2,839
Number of unsuccessful applicants	482 (14%)	561 (13%)	340 (11%)	349 (11%)	458 (16%)

Source: Audit analysis of LD records

2.9 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) the performance indicator in COR was intended to reflect the total number of young people who had applied to join YETP; and

Note 15: *According to LD, some applicants were screened out during the initial screening interviews mainly because of the ineligibility to enrol in YETP due to their age and/or educational attainment.*

- (b) LD intended to continue reflecting the total number of YETP applicants and to refine the description of the indicator in COR as “number of young people applied to join YETP” for more accurate presentation.

2.10 Audit considers that LD needs to take measures to ensure the accuracy of the description of the performance indicator relating to YETP as reported in COR.

Audit recommendations

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

- (a) **take measures to prepare the estimated number of young people enrolled in/applied to join YETP as reported in COR as accurately as possible;**
- (b) **keep under review the enrolment situation of YETP and take measures to encourage more young people, including those aged 25 to 29, to enrol in YETP as far as possible; and**
- (c) **take measures to ensure the accuracy of the description of the performance indicator relating to YETP as reported in COR.**

Response from the Government

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

- (a) among the factors in paragraph 2.3 explaining the drop in the number of young people enrolling in YETP, it is noteworthy that, according to C&SD records, the number of unemployed young people aged 15 to 24 with educational attainment at sub-degree level or below decreased by 43% from 13,700 in 2019 to 7,800 in 2024;
- (b) since the relaxation of the enrolment age limit of YETP from 24 to 29 in January 2025, the number of young people applied to join YETP in the programme year 2024/25 increased by 43% to 4,059 compared to that of

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the last programme year. LD will continue to keep a close watch on the enrolment situation and put in place appropriate measures to attract more eligible young people to join YETP; and

- (c) LD will refine the description of the relevant performance indicator as reported in COR to reflect the intention of reporting the number of young people applied to join YETP.

Career development services

2.13 LD conducts open tender exercises to engage NGOs as service providers to provide career development services. Each service contract covers a referral period of three programme years during which trainees may be referred to the service providers to receive career development services until the completion of the service period, including the basic service period and the extended service period (see para. 1.7(a)). For the existing service contracts covering the period from the programme years 2024/25 to 2026/27, LD has commissioned 13 service providers to provide career development services through 36 service contracts across five service regions in Hong Kong (Note 16), involving an estimated total contract value of \$110.8 million.

Need to encourage trainees to use counselling services provided by the service providers

2.14 According to the service contracts between LD and the service providers, the service providers shall provide career development services via a standard package (Note 17) including 10 hours of counselling services to YETP trainees.

Note 16: *The five service regions are Hong Kong Island, Kowloon East, Kowloon and New Territories West, New Territories East, and Tuen Mun and Yuen Long.*

Note 17: *According to the service contracts between LD and the service providers, the standard package comprised case administration, initial screening interviews and 10 hours of counselling services.*

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2.15 For the programme year 2023/24, 1,738 trainees were entitled to receive counselling services (Note 18). Audit analysed LD's records of counselling services provided to the 1,738 trainees and noted that:

- (a) 1,305 (75%) trainees were provided with less than 10 hours of counselling services;
- (b) the number of hours of counselling services provided to the 1,305 trainees ranged from 0 to 9.8 hours, averaging 0.9 hours; and
- (c) 1,041 (80%) of the 1,305 trainees were not provided with any counselling services (see Table 5).

Note 18: *Of the 2,839 YETP trainees in the programme year 2023/24: (a) 506 were referred by the Vocational Training Council and were not subject to career development services; (b) 458 were unsuccessful applicants (see para. 2.8); and (c) 137 enrolled in YETP in the programme year 2022/23 and were under the extended service period in the programme year 2023/24. Hence, 1,738 (2,839 – 506 – 458 – 137) trainees were entitled to receive counselling services.*

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Table 5

**Number of hours of counselling services provided to trainees
(Programme year 2023/24)**

Number of hours of counselling services	Number of trainees
10 hours or more	433 (25%)
7.5 to less than 10 hours	60 (3%)
5 to less than 7.5 hours	55 (3%)
2.5 to less than 5 hours	66 (4%)
0 to less than 2.5 hours (Note)	1,124 (65%)
Total	1,738 (100%)

Source: Audit analysis of LD records

Note: 1,041 trainees were not provided with any counselling services.

2.16 In response to Audit's enquiry, LD informed Audit in August and September 2025 that:

- (a) YETP provided various employment support services to young people. Trainees were not required to undergo each and every support service and might choose the appropriate services according to their own preference and needs;
- (b) career advisors, based on professional assessment, provided counselling services to trainees, taking into account the trainees' preference and needs; and
- (c) the reasons for the relatively low utilisation of counselling services provided to trainees included:

- (i) some trainees were only interested in taking part in other services under YETP (e.g. training courses, WPA/OJT) instead of counselling; and
- (ii) the career advisors had difficulties to contact the trainees for provision of counselling services as some trainees might be engaged in work after joining OJT or have other plans (e.g. engaging in part-time or slasher jobs).

2.17 Audit considers that LD needs to take measures to encourage YETP trainees to use the counselling services provided by the service providers.

Delays in submission of yearly reports

2.18 According to the service contracts between LD and the service providers, the service providers are required to submit yearly reports for each awarded contract within one month after the end of each programme year or within such period as specified by LD (Note 19). According to LD, it would check the yearly reports on whether the service providers have fulfilled their contractual commitments. For 13 (35%) of the 37 service contracts for the period from the programme years 2021/22 to 2023/24, 1 to 3 non-compliances of contractual commitments were found in each of the 13 service contracts during the contract period (averaging 2.5 non-compliances) (Note 20) and LD had issued notification letters to the service providers concerned.

2.19 Audit examined the 195 yearly reports submitted by the service providers for the period from the programme years 2019/20 to 2023/24. Audit found that 28 (14%) of the 195 yearly reports were submitted with delays. The delays ranged from 1 to 23 days (averaging 8 days).

Note 19: *According to LD, it would issue emails to all service providers in September to request them to submit yearly reports within a specified time period, usually within three weeks from the date of issuance of emails.*

Note 20: *The majority of the non-compliances were related to the service providers failing to meet the target number of trainees to be referred and successfully screened-in by service providers committed in the respective service contracts. According to the service contracts, any non-compliance may be taken into account when evaluating the service providers' performance in their future tenders.*

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2.20 Audit considers that LD needs to take measures to ensure that yearly reports are submitted by YETP service providers of career development services within the specified timeframe.

Need to enhance guidelines on inspections conducted on service providers of career development services

2.21 According to LD's guidelines, in each programme year, LD conducts an inspection at one of the service centres of each service provider of career development services after the examination of yearly reports for the preceding programme year. The inspection covers, amongst others, the checking of the facilities as committed in the tender, trainees' case files to ensure proper record keeping, and the qualifications and work experience of career advisors.

2.22 Audit examination of the records of 81 inspections conducted on service providers of career development services in the period from the programme years 2019/20 to 2023/24 revealed room for improvement in the guidelines on inspections conducted on service providers of career development services:

- (a) ***Need to set timeframe for completing inspection reports.*** LD's guidelines did not stipulate the timeframe for completing the inspection reports. For the 81 inspections, the time elapsed from conducting inspection to completing the inspection reports ranged from 0 to 71 days (averaging 14 days) (Note 21); and
- (b) ***Need to specify the arrangement for conducting surprise inspections.*** According to LD's manual for service providers, LD may conduct surprise inspections on service providers of career development services if necessary and no prior notice will be given. Audit noted that no surprise inspections were conducted in the period. According to LD, no surprise inspections were conducted in the period because there were no complaints or irregularities requiring surprise visits to be conducted. However, the arrangement for conducting surprise inspections (e.g. conditions warranting a surprise inspection) was not specified in LD's guidelines.

Note 21: *For the cases which the inspection report was completed on the day of inspection, the time elapsed was referred to as 0 day.*

2.23 Audit considers that LD needs to enhance the guidelines on inspections conducted on service providers of career development services for YETP, including specifying:

- (a) the timeframe for completing the inspection reports; and
- (b) the arrangement for conducting surprise inspections on service providers of career development services for YETP.

Audit recommendations

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

- (a) **take measures to encourage YETP trainees to use the counselling services provided by the service providers;**
- (b) **take measures to ensure that yearly reports are submitted by YETP service providers of career development services within the specified timeframe; and**
- (c) **enhance the guidelines on inspections conducted on service providers of career development services for YETP, including specifying:**
 - (i) **the timeframe for completing the inspection reports; and**
 - (ii) **the arrangement for conducting surprise inspections on service providers of career development services for YETP.**

Response from the Government

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

- (a) despite that some YETP trainees may not need counselling services as explained in paragraph 2.16, LD will strengthen the promotion of career development services of YETP to trainees; and

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- (b) LD will revise the guidelines to ensure YETP service providers' timely submission of yearly reports and enhance the guidelines on inspections of service providers running career development services for YETP.

Training courses

Decrease in proportion of trainees attending training courses

2.26 YETP trainees can attend training courses of ERB and/or training courses of YETP provided by other training bodies. In the programme year 2023/24, 937 YETP trainees attended 247 classes (involving 6 training course categories) provided by ERB and 43 classes (involving 6 training course types) provided by other training bodies. Audit analysed the number of trainees attending training courses in the period from the programme years 2019/20 to 2023/24. Audit found that:

- (a) the number of trainees attending training courses decreased by 35% from 1,449 in the programme year 2019/20 to 937 in the programme year 2023/24; and
- (b) the proportion of trainees attending training courses decreased from 49% in the programme year 2019/20 to 39% in the programme year 2023/24 (see Table 6).

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Table 6

**Proportion of YETP trainees attending training courses
(Programme years 2019/20 to 2023/24)**

	2019/20	2020/21	2021/22	2022/23	2023/24
Number of trainees attending training courses (a)	1,449	2,071	1,665	1,253	937
Number of eligible trainees (Note) (b)	2,936	3,630	2,882	2,704	2,381
Proportion of trainees attending training courses (c) = (a) ÷ (b) × 100%	49%	57%	58%	46%	39%

Source: Audit analysis of LD records

Note: This represented the number of young people successfully enrolled in YETP (i.e. unsuccessful applicants were excluded (see para. 2.8)).

2.27 In response to Audit’s enquiry, LD informed Audit in August and September 2025 that:

- (a) the decrease in the proportion of trainees attending training courses was because:
 - (i) YETP discontinued procuring pre-employment training services on 31 March 2023. Since April 2023, trainees may, with the assistance of career advisors, enrol in training courses offered by ERB. Career advisors would assist trainees in assessing whether they fulfil the entry requirements of ERB courses and submit applications on their behalf. LD learnt from the career advisors that it took time for both trainees and career advisors to get familiar with the new enrolment procedures, different classifications of courses offered by ERB with different entry requirements, and the relevant collaboration arrangements with ERB; and

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- (ii) since the collaboration of YETP and ERB in April 2023, trainees were no longer required to attend the core course on “job-search and interpersonal skills training” as a pre-requisite before taking part in any YETP activities; and
- (b) despite the decrease in the proportion of YETP trainees attending ERB/YETP training courses, LD had been providing other support services to the trainees. For example, since April 2023, LD relaxed the upper limit of group counselling hours so as to strengthen the career advisors’ support in equipping the trainees with job search and interviewing techniques, and enhancing their interpersonal and communication skills. LD had also strengthened the promotion of training courses organised by Y.E.S. to the trainees.

2.28 Since January 2025, LD has relaxed the age limit of YETP to young people aged 29 or below (i.e. young people aged 25 to 29 have become eligible to enrol in YETP). Since April 2025, ERB has also relaxed the age limit of youth training courses from 15 to 24, to 15 to 29 to cater for their training needs. Audit considers that there are merits for LD to identify the training needs of YETP trainees, including for those aged 25 to 29, and enhance the promotion of relevant training courses to cater for their training needs.

2.29 Audit considers that LD needs to:

- (a) take measures to encourage more YETP trainees to enrol in training; and
- (b) identify the training needs of YETP trainees, including for those aged 25 to 29, and enhance the promotion of relevant training courses to cater for their training needs.

Room for improvement in conducting telephone follow-up after inspections

2.30 According to LD, it conducts inspections on the training courses of YETP to check if the training courses are organised properly in accordance with the contract terms and service providers’ contractual commitments. According to LD’s guidelines, in each programme year:

- (a) at least 8% of all approved training classes should be inspected. New courses, courses conducted in a new venue, courses with suspected non-compliance being investigated previously, courses with poor performance in the course evaluation survey, and classes with complaint received must be inspected. Tailor-made courses of special projects and courses for specific service targets would also be randomly selected for inspection; and
- (b) a minimum of 10% of the inspections should be selected for conducting telephone follow-up on a monthly basis. According to LD, the purpose of conducting telephone follow-up is to perform supervisory checks to confirm that inspections are conducted according to LD's guidelines.

2.31 In the programme year 2023/24, there were 43 training classes of YETP. Inspections were conducted on 19 (44%) of the 43 training classes (involving 7 course providers). Telephone follow-up was conducted for 8 (42%) of the 19 inspections (involving 5 course providers). Audit noted that there was no specified timeframe for conducting telephone follow-up after inspections. For the 8 inspections with telephone follow-up conducted, telephone follow-up was conducted 17 to 122 days (averaging 72 days) after the inspections. For 6 (75%) of the 8 inspections, telephone follow-up was conducted more than one month after the inspections.

2.32 Audit considers that LD needs to set the timeframe for conducting telephone follow-up after inspections on training courses of YETP and take measures to ensure that telephone follow-up is conducted within the specified timeframe.

Audit recommendations

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

- (a) **take measures to encourage more YETP trainees to enrol in training;**
- (b) **identify the training needs of YETP trainees, including for those aged 25 to 29, and enhance the promotion of relevant training courses to cater for their training needs; and**

- (c) **set the timeframe for conducting telephone follow-up after inspections on training courses of YETP and take measures to ensure that telephone follow-up is conducted within the specified timeframe.**

Response from the Government

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

- (a) LD has been taking steps to encourage more YETP trainees to receive pre-employment training. Amongst others, LD has regularly reviewed the training allowance payable to trainees to support their participation in training;
- (b) LD will continue to work with the career advisors and service providers to identify the training needs of YETP trainees and enhance the promotion of training courses to YETP trainees; and
- (c) LD has revised the guidelines on inspections of training courses, including specifying a timeframe for conducting telephone follow-up after inspections.

Workplace attachment training, on-the-job training and Greater Bay Area Work Experience Attachment Programme

Need to encourage more trainees to enrol in WPA and/or OJT

2.35 According to LD, YETP trainees are encouraged to enrol in WPA and/or OJT to enrich their job skills and experience so as to enhance their employability. In the period from the programme years 2019/20 to 2023/24, there were 7,082 to 13,497 WPA/OJT vacancies (averaging 10,021 WPA/OJT vacancies) in each programme year.

2.36 Audit analysed the proportion of trainees enrolled in WPA and/or OJT for the period from the programme years 2019/20 to 2023/24. Audit found that while the proportion of trainees enrolled in WPA and/or OJT increased from 53% in the

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programme year 2019/20 to 59% in the programme year 2022/23, it decreased to 49% in the programme year 2023/24 (see Table 7).

Table 7

**Proportion of trainees enrolled in WPA and/or OJT
(Programme years 2019/20 to 2023/24)**

Programme year	Number of eligible trainees (Note) (a)	Number of trainees enrolled in WPA and/or OJT (b)	Proportion of trainees enrolled in WPA and/or OJT (c) = (b) ÷ (a) × 100%
2019/20	2,936	1,546	53%
2020/21	3,630	2,107	58%
2021/22	2,882	1,684	58%
2022/23	2,704	1,592	59%
2023/24	2,381	1,171	49%

Source: Audit analysis of LD records

Note: This represented the number of young people successfully enrolled in YETP (i.e. unsuccessful applicants were excluded (see para. 2.8)).

2.37 In response to Audit's enquiry, LD informed Audit in August and September 2025 that:

- (a) the decrease in the proportion of trainees enrolled in WPA and/or OJT in the programme year 2023/24 was because:
 - (i) in the programme year 2023/24, the overall unemployment rate in Hong Kong maintained at a low level (i.e. about 2.9% to 3.0%).

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YETP trainees might not need to enrol in WPA and/or OJT for getting employed in the open job market; and

- (ii) with a relative abundant supply of tertiary education places, school leavers who did not continue their studies joined YETP generally require more time and assistance from career advisors to build up job-search momentum and work out their personal profile in career planning. Some of them might also have less financial burden and were less ready to commit to WPA and/or OJT; and
- (b) LD has taken different steps to enhance the placement of trainees in OJT. LD continued its networking efforts with employers to identify suitable vacancies for the trainees, and organised recruitment activities to facilitate the trainees to have on-the-spot interview opportunities and learn more about the career paths of different industries.

2.38 Audit considers that LD needs to step up efforts to encourage more YETP trainees to enrol in WPA and/or OJT to enrich their job skills and experience so as to enhance their employability.

Need to encourage trainees to complete the OJT period

2.39 According to LD, trainees engaged in OJT are encouraged to complete the OJT period of 6 to 12 months so as to enrich their work experience, vocational skills and qualifications, and enhance their employability. Audit examined the OJT records in the period from the programme years 2019/20 to 2023/24. Audit found that, in each of the programme years, 28% to 36% of trainees (averaging 31%) had not completed the OJT period of 6 to 12 months (see Table 8).

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Table 8

**Number of trainees who had not completed the OJT period
(Programme years 2019/20 to 2023/24)**

	2019/20	2020/21	2021/22	2022/23	2023/24
Number of trainees engaged in OJT	1,786	1,594	1,688	1,290	1,197
Number of trainees who had not completed the OJT period	507 (28%)	572 (36%)	531 (31%)	387 (30%)	369 (31%)

Source: Audit analysis of LD records

2.40 In response to Audit's enquiry, LD informed Audit in August and September 2025 that:

- (a) the service providers of career development services would follow up with the trainees concerned to ascertain the reasons for OJT terminations and recommend other OJT vacancies for them;
- (b) about 80% of OJT terminations were initiated by the trainees. The trainees terminated OJT period early mainly because they considered that the job nature or job environment was not suitable, or they decided to pursue further studies; and
- (c) despite the fact that the OJT period was not completed, the work experience gained could still benefit the trainees by helping them understand their career aspiration, identify the interested job nature, gain real working experience and acquire diverse job skills.

2.41 Audit considers that LD needs to take measures to engage YETP trainees in OJT of suitable job nature or job environment and encourage the trainees to complete the OJT period.

Room for improvement in inspections on WPA and OJT

2.42 According to LD's guidelines, LD conducts inspections on WPA and OJT to update the training progress of trainees and to safeguard their rights (e.g. inspecting trainees' records of payroll and contributions of Mandatory Provident Fund). In the period from the programme years 2019/20 to 2023/24, LD conducted 112 inspections on WPA and 502 inspections on OJT. Audit noted the following room for improvement:

- (a) ***Delays in submission of WPA and OJT inspection reports.*** Audit examination of the submission of 112 WPA inspection reports and 502 OJT inspection reports in the period from the programme years 2019/20 to 2023/24 revealed that some inspection reports were submitted with delays:
 - (i) ***WPA inspections.*** According to LD's guidelines, the timeframe for submission of WPA inspection reports is within 1 week after the inspections. 13 (12%) of the 112 WPA inspection reports were submitted with delays. The delays ranged from 2 to 38 working days (averaging 6.5 working days); and
 - (ii) ***OJT inspections.*** According to LD's guidelines, the timeframes for submission of OJT inspection reports are within 5 working days if no irregularity was detected; or within 5 working days after follow-up action had been completed if irregularity was detected; or within 10 working days if the trainee could not be contacted after repeated attempts. 7 (1%) of the 502 OJT inspection reports were submitted with delays. The delays ranged from 1 to 42 working days (averaging 12 working days); and
- (b) ***Need to improve documentation of OJT inspections.*** For WPA inspections, photographs of the workplace were included in the WPA inspection reports, but not for OJT inspections. In Audit's view, there are merits to include photographs in the OJT inspection reports to show the conditions of the workplaces.

2.43 Audit considers that LD needs to take measures to improve the inspections on WPA and OJT, including:

- (a) ensuring that WPA and OJT inspection reports are submitted within the specified timeframes; and
- (b) improving the documentation of OJT inspections, for example, by considering including photographs in the OJT inspection reports to show the conditions of the workplaces.

Need to keep under review the results of the review on GBA WEP

2.44 In June 2025, LD launched GBA WEP to provide YETP trainees aged 18 to 29 with one-month workplace attachment opportunities in the Mainland cities of GBA (see para. 1.7(e)). LD has appointed an NGO as the service provider of GBA WEP to match trainees with attachment positions, arrange preparatory courses and provide support to trainees during the attachment period. In addition, organisations providing attachment positions are required to appoint experienced staff to coach the trainees in their daily work. The service provider also provides advisory services for employment in the Mainland to trainees who are interested in developing their careers in GBA. The expenditure of the first run of GBA WEP in 2025 was \$0.6 million.

2.45 The first run of GBA WEP attracted 49 applications, of which 24 (49%) were successful. Of the 24 trainees admitted to the programme, 22 (92%) underwent one-month workplace attachment in the GBA cities of Zhongshan and Shunde in the period from 14 June 2025 to 13 July 2025. 2 (9%) of the 22 trainees subsequently withdrew from GBA WEP. In the event, 20 (91%) of the 22 trainees completed the one-month workplace attachment with an attendance rate of 80% or above.

2.46 According to the service contract between the Government and the service provider, the service provider is required to conduct surveys with trainees to collect their feedback on GBA WEP and submit a contract-end report to LD. LD will also monitor the services provided by the service provider (e.g. by means of conducting visits). As of August 2025, the service provider has submitted the results of the surveys and the contract-end report to LD. According to LD, it is conducting a review on the first run of GBA WEP to identify possible enhancements and determine the way forward. Audit considers that LD needs to keep under review the results of the review on GBA WEP and identify enhancement measures where necessary for implementing GBA WEP in future.

Audit recommendations

- 2.47 **Audit has recommended that the Commissioner for Labour should:**
- (a) **step up efforts to encourage more YETP trainees to enrol in WPA and/or OJT to enrich their job skills and experience so as to enhance their employability;**
 - (b) **take measures to engage YETP trainees in OJT of suitable job nature or job environment and encourage the trainees to complete the OJT period;**
 - (c) **take measures to improve the inspections on WPA and OJT, including:**
 - (i) **ensuring that WPA and OJT inspection reports are submitted within the specified timeframes; and**
 - (ii) **improving the documentation of OJT inspections, for example, by considering including photographs in the OJT inspection reports to show the conditions of the workplaces; and**
 - (d) **keep under review the results of the review on GBA WEP and identify enhancement measures where necessary for implementing GBA WEP in future.**

Response from the Government

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

- (a) LD will continue actively exploring opportunities to canvass OJT vacancies of various positions for young people of different backgrounds and career aptitudes, as well as collaborating with employers and career advisors to encourage more YETP trainees to enrol in WPA and OJT;
- (b) some trainees, having upgraded their skills or developed clearer career aspirations after joining YETP, may choose to pursue better employment

or further studies before the completion of OJT. LD will continue to follow up on the reasons for premature termination of OJT and provide appropriate assistance to trainees; and

- (c) LD will take measures to further improve the inspections on WPA and OJT, and review the first run of GBA WEP to identify appropriate enhancement measures.

Trainee and employer surveys

2.49 LD conducts the following surveys to collect views from trainees and employers:

- (a) *Trainee satisfaction surveys.* For each programme year, LD conducts a trainee satisfaction survey to get more information on the performance of service providers from the users' perspective. Trainees who have finished the 12-month basic service period would be invited to complete an online questionnaire on their satisfaction towards the career development services that they received (Note 22). Upon completion of the trainee satisfaction survey, a summary report would be compiled;
- (b) *Trainee surveys on WPA and OJT.* Every six months, LD conducts surveys on trainees who have completed WPA with attendance rate of 80% or above and surveys on trainees who have completed OJT. The areas covered in the surveys include effectiveness of WPA and OJT and the adequacy of assistance provided by employers and career advisors;
- (c) *Trainee development surveys.* Every year, LD conducts surveys on 10% of trainees who have enrolled in YETP and completed the 12-month support services, and reports the percentages of trainees who were in employment at the time of the surveys (Note 23); and

Note 22: *According to LD, it would check whether there are special comments given by the trainees which require prompt follow-up actions (e.g. referring the trainees' comments to service providers for improving their services).*

Note 23: *In the period from the programme years 2019/20 to 2023/24, the percentage of surveyed trainees who were in employment at the time of the surveys ranged from 61% to 77% (averaging 68%).*

- (d) ***Employer surveys on WPA and OJT.*** Every six months, LD conducts employer surveys on host organisations/employers of trainees who have completed WPA with attendance rate of 80% or above or OJT in the previous 6-month period. The areas covered in the surveys include the performance of trainees (Note 24) and whether the trainees are employed by the employers after WPA or OJT.

Need to improve response rate of trainee satisfaction surveys

2.50 Audit reviewed the results of the trainee satisfaction surveys for the period from the programme years 2019/20 to 2022/23 (Note 25) and noted that the response rates were on the low side, ranging from 11.0% to 15.5% (averaging 12.7%) for each survey (Note 26).

2.51 Audit considers that LD needs to take measures to improve the response rates of trainee satisfaction surveys of YETP.

Room for improvement in employer surveys on WPA and OJT

2.52 ***Need to take follow-up actions on the results of employer surveys.*** According to the results of the employer surveys on WPA and OJT conducted in the period from the programme years 2019/20 to 2023/24:

Note 24: *The performance of trainees were measured by 6 aspects, namely: (a) overall discipline; (b) working attitude; (c) work ability; (d) interpersonal relationships; (e) language proficiency; and (f) computer skills. For each aspect, the satisfaction level of the host organisations and employers is assessed on a 5-point scale, i.e. 1 (very unsatisfactory), 2 (unsatisfactory), 3 (neutral), 4 (satisfactory) and 5 (very satisfactory).*

Note 25: *As of 31 August 2025, the results of the survey for the programme year 2023/24 was not yet available.*

Note 26: *The response rates included those of the supplementary telephone surveys of YETP conducted for those trainees who had not responded to the invitation to complete the online questionnaire of the trainee satisfaction surveys (see para. 2.56(a)).*

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- (a) in each of the WPA surveys, 5% to 19% (averaging 9%) of trainees' performance were rated as "1" (very unsatisfactory) or "2" (unsatisfactory) in one or more aspects (Note 27); and
- (b) in each of the OJT surveys, 2% to 5% (averaging 4%) of trainees' performance were rated as "1" (very unsatisfactory) or "2" (unsatisfactory) in one or more aspects (Note 28).

There was no documentary evidence showing that LD had taken follow-up actions on the results of the employer surveys. In particular, there was no documentary evidence showing that LD had followed up with the trainees with very unsatisfactory or unsatisfactory performance in WPA and OJT as shown in the results of employer surveys.

2.53 *Need to encourage employers to provide more details in the employer surveys.* The employers were only required to give the performance ratings of trainees but not the written comments in the questionnaire of the surveys. Therefore, there was no information as to the rationale for giving very unsatisfactory or unsatisfactory ratings on the trainees' performance by the employers and the specific areas for improvement, which were not conducive to assisting the trainees to improve their performance. In Audit's view, there are merits to encourage employers to provide more details in the employer surveys (e.g. the rationale of giving very unsatisfactory or unsatisfactory ratings on the trainees' performance and specific areas for improvement).

2.54 Audit considers that LD needs to:

- (a) take follow-up actions on the results of employer surveys, in particular following up with the trainees with unsatisfactory performance in WPA and OJT as shown in the results of employer surveys; and

Note 27: *For 2 of the 6 aspects (see Note 24 to para. 2.49(d)), namely "computer skills" and "interpersonal relationships", were the aspects with the most trainees being rated as "1" (very unsatisfactory) or "2" (unsatisfactory) in the WPA surveys.*

Note 28: *For 2 of the 6 aspects (see Note 24 to para. 2.49(d)), namely "working attitude" and "work ability", were the aspects with the most trainees being rated as "1" (very unsatisfactory) or "2" (unsatisfactory) in the OJT surveys.*

- (b) encourage employers to provide more details in the employer surveys on WPA and OJT (e.g. the rationale of giving very unsatisfactory or unsatisfactory ratings on the trainees' performance and specific areas for improvement).

Audit recommendations

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

- (a) **take measures to improve the response rates of trainee satisfaction surveys of YETP;**
- (b) **take follow-up actions on the results of employer surveys, in particular following up with the trainees with unsatisfactory performance in WPA and OJT as shown in the results of employer surveys; and**
- (c) **encourage employers to provide more details in the employer surveys on WPA and OJT (e.g. the rationale of giving very unsatisfactory or unsatisfactory ratings on the trainees' performance and specific areas for improvement).**

Response from the Government

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

- (a) to boost the response rates of trainee satisfaction surveys, LD has conducted supplementary telephone surveys of YETP to interview randomly-selected trainees who have not responded to the surveys. LD will endeavour to explore ways to further increase the response rates of trainee satisfaction surveys; and
- (b) if trainees' unsatisfactory performance is known during the WPA/OJT period, career advisors will follow up with the trainees concerned. LD will encourage employers to provide more details on the unsatisfactory ratings of trainees' performance and arrange career advisors to take appropriate follow-up actions.

Effectiveness of Youth Employment and Training Programme

Need to continue to review the effectiveness of YETP

2.57 The expenditure of YETP ranged from \$79 million to \$105 million for the financial years 2020-21 to 2024-25. The number of YETP trainees ranged from 2,839 to 4,191 for the programme years 2020/21 to 2024/25. Audit noted that while LD had the information on the expenditure of YETP and the number of YETP trainees, it had not evaluated, analysed and monitored the expenditure of YETP vis-a-vis the number of YETP trainees to facilitate the review of the effectiveness of YETP.

2.58 Audit also found room for improvement in implementing YETP, including the following:

- (a) the number of YETP trainees decreased significantly by 74% from its record high of 15,543 for the programme year 2009/10 to 4,059 for the programme year 2024/25;
- (b) the proportion of YETP trainees enrolled in WPA and/or OJT decreased (see para. 2.36) and some of the trainees did not complete the OJT period (see para. 2.39); and
- (c) according to the trainee development survey (see para. 2.49(c)) results, the percentage of surveyed trainees who have completed the 12-month support services and were in employment at the time of the surveys decreased from 84% for the programme year 2014/15 to 69% for the programme year 2023/24 (Note 29).

2.59 In response to Audit's enquiry, LD informed Audit in September 2025 that LD had reviewed YETP from time to time and implemented enhancement measures in response to the employment market situation to strengthen support for youth development.

Note 29: *According to LD, more than 10% of trainees from the programme year 2023/24 indicated that they continued to pursue their studies at the time of the surveys.*

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- 2.60 To improve the effectiveness of YETP, Audit considers that LD needs to:
- (a) regularly monitor, analyse and evaluate the expenditure of YETP vis-a-vis the number of YETP trainees; and
 - (b) continue to review the effectiveness of YETP and formulate enhancement measures as appropriate.

Audit recommendations

- 2.61 **Audit has *recommended* that the Commissioner for Labour should:**
- (a) **regularly monitor, analyse and evaluate the expenditure of YETP vis-a-vis the number of YETP trainees; and**
 - (b) **continue to review the effectiveness of YETP and formulate enhancement measures as appropriate.**

Response from the Government

- 2.62 The Commissioner for Labour agrees with the audit recommendations. He has said that:
- (a) LD has been conscious of the spending position of YETP, and will strive to monitor, assess and review the expenditure of YETP taking into account the number of trainees enrolled and other relevant factors; and
 - (b) LD will continue to monitor the employment market situation and review YETP to ensure effective and efficient provision of employment support services to young people.

PART 3: YOUTH EMPLOYMENT START

3.1 This PART examines the issues related to Y.E.S., focusing on the following areas:

- (a) Y.E.S. membership (paras. 3.2 to 3.15);
- (b) provision of services (paras. 3.16 to 3.38); and
- (c) other issues related to Y.E.S. (paras. 3.39 to 3.49).

Youth Employment Start membership

Decreasing number of registered Y.E.S. members

3.2 Young people aged between 15 and 29 who are legally employable in Hong Kong are eligible to become Y.E.S. members and have free access to various Y.E.S. facilities and services. Young business owners aged between 18 and 29 holding valid Business Registration Certificates can register as business members to enjoy a wide range of business services and facilities. Y.E.S. membership is valid for 12 months and is automatically renewed on a yearly basis if the members meet the eligibility criteria. Audit analysed the number of registered Y.E.S. members in the period from 31 December 2020 to 30 June 2025 and noted that:

- (a) the number of registered Y.E.S. members was decreasing. It decreased by 51% from 67,174 as at 31 December 2020 to 32,707 as at 30 June 2025; and
- (b) the proportion of target young people registered as Y.E.S. members (Note 30) decreased from 11.1% as at 31 December 2020 to 7.0% as at 30 June 2025 (see Table 9).

Note 30: *According to LD, target young people of Y.E.S. refer to labour force aged 15 to 29 (excluding foreign domestic helpers) who are legally employable in Hong Kong. The information on the number of target young people of Y.E.S. was extracted from C&SD records.*

Youth Employment Start

Table 9

**Number of registered Y.E.S. members
(31 December 2020 to 30 June 2025)**

	As at 31 December					As at 30 June
	2020	2021	2022	2023	2024	2025
Number of registered Y.E.S. members	67,174	57,185	46,567	38,191	33,811	32,707
Proportion of target young people registered as Y.E.S. members	11.1%	9.8%	8.4%	7.3%	6.9%	7.0%

Source: *Audit analysis of LD records*

3.3 In response to Audit's enquiry, LD informed Audit in August and September 2025 that:

- (a) the decreasing number of registered Y.E.S. members was mainly due to the decrease in the population of target young people in Hong Kong, and the availability of more channels for young people to receive training or further study; and
- (b) Y.E.S. has been implementing measures with a view to increasing the number of registered Y.E.S. members (e.g. launching special activities in summer times, inviting secondary schools and tertiary institutions to visit Y.E.S., organising seminars at secondary schools and promoting Y.E.S. on social media platforms and at large-scale events).

3.4 Audit considers that LD needs to step up measures to increase the number of registered Y.E.S. members.

Need to encourage members to use Y.E.S. services and facilities

3.5 According to LD:

- (a) Y.E.S. membership is valid for 12 months and is automatically renewed on a yearly basis if the members meet the eligibility criteria; and
- (b) if a member has not used the services or facilities of Y.E.S. within the past three years, his/her membership will not be automatically renewed. Such member will be classified as an “inactive member”. Inactive members have to visit or contact Y.E.S. to re-activate their membership within one year after they are classified as “inactive members”. Otherwise, they have to register again if they want to use the services or facilities of Y.E.S.

3.6 Of the 32,707 Y.E.S. members as at 30 June 2025, 26,591 (81%) had not used the services or facilities of Y.E.S. for one year or more. In 2022, the Y.E.S. operator launched the Reactivation Programme to attract the less active members (i.e. those who had not used the services or facilities of Y.E.S. for one year or more) to use the services and facilities of Y.E.S. According to the service contracts between LD and the Y.E.S. operator, the Y.E.S. operator should arrange not less than 10 specific activities in each Y.E.S. during the contract period for those less active members.

3.7 In the period from the commencement of the Reactivation Programme in August 2022 to June 2025, the Y.E.S. operator had sent invitations to 23,317 less active members through emails to invite them to attend the specific activities. However, Audit noted that only 125 (0.5%) less active members had participated in these activities.

3.8 In response to Audit’s enquiry, LD informed Audit in August and September 2025 that some registered members had not used the services or facilities of Y.E.S. for a prolonged period of time mainly because:

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- (a) the members were secondary school students when they first registered in Y.E.S. They had no pressing need to use Y.E.S. services while continuing their studies; and
- (b) some of the members were very busy with their studies or work, they did not join the activities of Y.E.S. even though they considered the activities attractive.

3.9 Taking into account the high proportion of less active members (see para. 3.6), the lukewarm response from the less active members for the Reactivation Programme (see para. 3.7) and the reasons why some registered members had not used the services or facilities of Y.E.S. for a prolonged period of time (see para. 3.8), Audit considers that LD needs to take further measures to encourage Y.E.S. members to use the services and facilities of Y.E.S.

Need to facilitate pre-registered members to complete the registration process

3.10 Eligible young people can preliminarily register online to become pre-registered Y.E.S. members. Pre-registered Y.E.S. members can reserve a training place or book some of the facilities or services of Y.E.S. online. However, they have to complete the registration process at Y.E.S. to become Y.E.S. members before they can use the services and facilities of Y.E.S. and attend the reserved training activities. From time to time, LD and the Y.E.S. operator invite eligible young people to become pre-registered Y.E.S. members at various occasions, such as career exhibitions and job fairs.

3.11 Audit analysed the number of pre-registered Y.E.S. members in the period from 31 December 2020 to 30 June 2025. Audit noted that the number of pre-registered Y.E.S. members increased by 203% from 2,451 as at 31 December 2020 to 7,434 as at 30 June 2025 (see Table 10).

Table 10

**Number of pre-registered Y.E.S. members
(31 December 2020 to 30 June 2025)**

	As at 31 December					As at 30 June
	2020	2021	2022	2023	2024	2025
Number of pre-registered Y.E.S. members	2,451	4,241	3,907	6,223	6,443	7,434

Source: LD records

3.12 Audit noted that there is room for improvement in facilitating the pre-registered Y.E.S. members to complete the registration process:

- (a) according to LD’s guidelines, pre-registered members have to visit one of the Y.E.S. to complete the registration process and become Y.E.S. members. According to LD, this is because some of the registration procedures such as verification of the Y.E.S. members’ information (e.g. Hong Kong Identity Card) and photo taking of the Y.E.S. members can only be conducted at Y.E.S. Audit considers that there are merits to facilitate the pre-registered members to complete the registration process, for example, by allowing the pre-registered Y.E.S. members to complete the process online instead of by visiting the Y.E.S.; and
- (b) according to LD’s guidelines, two reminder emails should be sent by the computer system automatically to the pre-registered members who have not completed the registration process, in 1 month and 11 months after their pre-registration. Audit noted that, in the period from December 2020 to June 2025, no reminder emails had been sent to pre-registered members. According to LD, due to frequent centre closures during the COVID-19 epidemic, the function of sending reminder emails by the computer system had been suspended since December 2020.

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- 3.13 Audit considers that LD needs to:
- (a) strengthen measures in facilitating the pre-registered Y.E.S. members to complete the registration process as soon as possible, for example, by allowing the pre-registered Y.E.S. members to complete the process online; and
 - (b) take measures to ensure that reminder emails are sent to the pre-registered Y.E.S. members who have not completed the registration process according to the specified timeframe.

Audit recommendations

- 3.14 **Audit has *recommended* that the Commissioner for Labour should:**
- (a) **step up measures to increase the number of registered Y.E.S. members;**
 - (b) **take further measures to encourage Y.E.S. members to use the services and facilities of Y.E.S.;**
 - (c) **strengthen measures in facilitating the pre-registered Y.E.S. members to complete the registration process as soon as possible, for example, by allowing the pre-registered Y.E.S. members to complete the process online; and**
 - (d) **take measures to ensure that reminder emails are sent to the pre-registered Y.E.S. members who have not completed the registration process according to the specified timeframe.**

Response from the Government

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

- (a) the factors elaborated in paragraph 3.3, such as the decrease in the target young people population and the availability of more training channels, accounted for the drop in the number of registered Y.E.S. members. LD will continue to work with the Y.E.S. operator to step up measures to increase the number of registered Y.E.S. members and encourage Y.E.S. members to use the services and facilities of Y.E.S.;
- (b) the number of pre-registered Y.E.S. members has been increasing amidst active organisation of outreach events. In 2024, LD started to streamline the registration process of these Y.E.S. members; and
- (c) LD resumed the sending of reminder emails to pre-registered Y.E.S. members in September 2025 and will strengthen measures to facilitate pre-registered Y.E.S. members to complete the registration process.

Provision of services

Need to ensure that a reasonable target number of participants is adopted in calculating attendance rates of training activities

3.16 According to the service contracts between LD and the Y.E.S. operator, the Y.E.S. operator should maintain a quarterly average attendance rate of 85% or more for all training activities organised by Y.E.S. during the contract implementation period. The attendance rate is calculated by dividing the actual attendance by the target number of participants. According to LD's guidelines (Note 31), LD and the Y.E.S. operator shall determine the target number of participants for each training activity organised by Y.E.S. taking into account the objective, nature, requirements, the actual enrolment of past training activities which were similar in nature, the expected popularity and capacity of the venue of each training activity. According to LD, for the existing service contracts, if the computed attendance rate is greater than 100% (i.e. the actual attendance exceeds the target number of participants), the attendance rate will be adjusted to 100% for calculating the quarterly average attendance rate of the Y.E.S. operator's training activities.

Note 31: *The service contracts between LD and the Y.E.S. operator stipulated that the operator shall fulfil all conditions and terms of any specifications and samples which may from time to time be provided to the operator. According to LD, its guidelines relating to Y.E.S. are applicable to the Y.E.S. operator.*

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3.17 In the period from 2020 to 2025 (up to 30 June 2025), a total of 1,343 training activities were organised by Y.E.S. While the Y.E.S. operators had maintained a quarterly average attendance rate of 85% or more for all the 1,343 training activities organised by the two Y.E.S., Audit noted that:

- (a) in 628 (47%) activities, the attendance rates were higher than 100%, ranging from 101% to 490% (averaging 135%), showing that the actual attendances exceeded the target number of participants in these activities;
- (b) there was no documentary evidence showing the basis of determination of the target number of participants for the training activities organised in the period;
- (c) the target number of participants had not been revised taking into account the actual enrolment of the similar training activities organised in prior years; and
- (d) there was no documentary evidence showing that LD had reviewed the reasonableness of the target number of participants adopted by the Y.E.S. operator in the calculation of attendance rates.

3.18 In response to Audit's enquiry, LD informed Audit in September 2025 that the target number of participants was determined based on a combination of factors as stipulated in the service contracts, particularly the capacity of the venue of each training activity.

3.19 Audit considers that LD needs to:

- (a) take measures to ensure that the basis of determining the target number of participants for the training activities is documented by the Y.E.S. operator;
- (b) take measures to ensure that all factors stipulated in LD's guidelines (including the actual enrolment of past training activities of similar nature) are taken into account when determining the target number of participants; and

- (c) review the reasonableness of the target number of participants and take measures to ensure that a reasonable target number of participants is adopted by the Y.E.S. operator in calculating attendance rates of training activities.

Room for improvement in conducting inspections on training activities

3.20 According to LD, inspections are conducted to ensure that the training activities organised by Y.E.S. align with the training objectives, uphold training quality, and observe members' responses during the courses. Audit noted the following room for improvement:

- (a) there was no annual target for the number of inspections to be conducted. In the period from 2020 to 2024, a total of 219 inspections were conducted. The number of inspections conducted each year ranged from 12 to 80, and there was no documentary evidence showing how the number of inspections conducted each year was determined;
- (b) LD's guidelines did not stipulate the criteria for selecting training activities for conducting inspections;
- (c) there were no guidelines or checklists on the risk areas to be inspected by LD staff during the inspections; and
- (d) there was no documentation on the findings of the inspections conducted and the follow-up actions to be taken.

3.21 Audit considers that LD needs to take measures to enhance the guidelines on the inspections of Y.E.S. training activities, including:

- (a) setting an annual target for the number of inspections to be conducted;
- (b) stipulating the criteria for selecting training activities for conducting inspections;
- (c) setting out the risk areas to be inspected by LD staff during the inspections; and

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- (d) stipulating the requirements on documentation of the findings of the inspections conducted and the follow-up actions to be taken.

Need to encourage members to use career assessment kit and consultation services

3.22 According to LD:

- (a) Y.E.S. members can make use of a career assessment kit to understand their career interests, personality, emotional intelligence, career maturity and entrepreneurship potentials in a more comprehensive way, and to help them develop their career path more effectively through self-understanding; and
- (b) Y.E.S. members are recommended to make an appointment with the career consultant to analyse the results of the career assessment kit. This will assist the members to better understand their potentials and choose a suitable career path.

3.23 As at 30 June 2025, there were 32,707 Y.E.S. members. Audit analysed the proportion of the 32,707 Y.E.S. members who had used the career assessment kit and the consultation services in the period from 2020 to 2025 (up to 30 June 2025) and noted that there was room for improvement in improving the utilisation of the career assessment kit and the consultation services. Of the 32,707 members:

- (a) 6,214 (19%) had used the career assessment kit; and
- (b) 3,168 (10%) had used the consultation services.

3.24 In response to Audit's enquiry, LD informed Audit in September 2025 that the use of both the career assessment kit and consultation services was demand-driven. While the services were particularly useful for young people who did not have a clear career goal, not all individuals aged 15 to 29 required career guidance.

3.25 Audit considers that LD needs to take measures to promote the use of career assessment kit and the consultation services to Y.E.S. members who have career guidance needs, with a view to helping them better understand their potentials and choose a suitable career path.

Need to encourage members to attend recruitment events

3.26 Recruitment events are organised by the Y.E.S. operator for Y.E.S. members to attend recruitment interviews with the participating corporations with a view to securing job offers. In the period from 2020 to 2025 (up to 30 June 2025), the Y.E.S. operator organised a total of 183 recruitment events in the two Y.E.S. The total attendance of the 183 recruitment events by Y.E.S. members was 2,323.

3.27 Audit examined the attendance of the 183 recruitment events organised in the period from 2020 to 2025 (up to 30 June 2025). Audit noted that the attendance of each event ranged from 1 to 56 members (averaging 13 members). 98 (53%) recruitment events only had attendance of 10 or fewer members (see Table 11).

Table 11

**Attendance of recruitment events
(1 January 2020 to 30 June 2025)**

Attendance	Number of recruitment events
10 or fewer	98 (53%)
11 to 20	53 (29%)
21 to 30	19 (10%)
31 to 40	7 (4%)
41 to 50	3 (2%)
More than 50 (Note)	3 (2%)
Total	183 (100%)

Source: Audit analysis of LD records

Note: The highest attendance was 56 members.

3.28 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) 53 (54%) of the 98 recruitment events with attendance of 10 or fewer (see para. 3.27) were held in the period from 2020 to 2022, where the social distancing measures were in place during the COVID-19 epidemic; and
- (b) since 2023, the unemployment rate remained relatively low (at about 2.9%) and young people could find a job more easily without LD's employment support service.

3.29 Audit considers that LD needs to take further measures to encourage more Y.E.S. members to attend the recruitment events.

Low usage of mock interview service

3.30 According to LD, mock interviews are conducted by the career consultants with Y.E.S. members to improve the members' interview performance and chances of securing employment. Y.E.S. members can reserve the mock interview service through Y.E.S. website, Y.E.S. mobile application, telephone or in person.

3.31 As at 30 June 2025, there were 32,707 Y.E.S. members. Audit noted that the usage of the mock interview service by the 32,707 Y.E.S. members in the period from 2020 to 2025 (up to 30 June 2025) was on the low side. During the period, only 33 (0.1%) of the 32,707 Y.E.S. members had used the mock interview service.

3.32 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) in the period from 2020 to 2022, due to the impact of the COVID-19 epidemic, the closure of Y.E.S. and the social distancing measures had affected the booking of mock interview service;
- (b) while the social distancing measures were lifted in 2023, the unemployment rate remained relatively low (at about 2.9%) since then, which led to a lower demand of the mock interview service; and

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- (c) in view of the social distancing measures, in 2022, LD had commenced exploring whether the use of Artificial Intelligence (AI) applications in job interview training could supplement the mock interview service (see para. 3.42(a)).

3.33 Audit considers that LD needs to take measures to enhance the mock interview service and encourage more Y.E.S. members to use the mock interview service.

Need to improve utilisation of some facilities

3.34 There are various facilities at Y.E.S., including the computer zone available for all Y.E.S. members, and the business workstation, the business room (Note 32) (see Photograph 1 for the business room at Mong Kok Y.E.S. for an example) and the design corner (Note 33) (see Photograph 2 for the design corner at Kwai Fong Y.E.S. for an example) for use by business members. According to LD, in addition to bookings by business members, the business rooms are reserved for holding interviews with business members, recruitment events or other Y.E.S. activities. Members who are eligible to use the facilities can reserve the timeslots of the facilities one week in advance through Y.E.S. website, Y.E.S. mobile application, telephone or in person. For recording the utilisation of the facilities, members are required to tap their membership cards against a card reader when using the facilities.

Note 32: *A business room is provided in each Y.E.S. for business members to hold meetings with their clients and discussion with their business partners.*

Note 33: *A design corner is provided in each Y.E.S. for business members to use the professional design hardware and software for their design work.*

Photograph 1

The business room at Mong Kok Y.E.S.



Source: Photograph taken by Audit staff in June 2025

Photograph 2

The design corner at Kwai Fong Y.E.S.



Source: Photograph taken by Audit staff in June 2025

3.35 Audit examined the utilisation records of the facilities at Y.E.S. in the period from 2020 to 2024 and noted that there was room for improvement in the utilisation of some facilities:

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- (a) **Business room.** The utilisation of the business rooms at the two Y.E.S. was as follows:
- (i) **Business room at Kwai Fong Y.E.S.** For the business room at Kwai Fong Y.E.S., from 2020 to 2024, the number of idle days ranged from 122 to 181 days each year (or 55% to 73% of the opening days of Y.E.S. each year); and
 - (ii) **Business room at Mong Kok Y.E.S.** For the business room at Mong Kok Y.E.S., from 2020 to 2024, the number of idle days was on an increasing trend. The number of idle days increased by 191% from 43 in 2020 to 125 in 2024 (or 26% to 43% of the opening days of Y.E.S. each year) (see Table 12); and
- (b) **Design corner.** The utilisation of the design corners at the two Y.E.S. was as follows:
- (i) **Design corner at Kwai Fong Y.E.S.** For the design corner at Kwai Fong Y.E.S., from 2020 to 2024, the number of idle days ranged from 146 to 265 days (or 65% to 89% of the opening days of Y.E.S. each year); and
 - (ii) **Design corner at Mong Kok Y.E.S.** For the design corner at Mong Kok Y.E.S., from 2020 to 2024, the number of idle days ranged from 148 to 269 days (or 83% to 97% of the opening days of Y.E.S. each year) (see Table 12).

Table 12

**Number of idle days of business rooms and design corners at two Y.E.S.
(2020 to 2024)**

	2020	2021	2022	2023	2024
Number of opening days of Y.E.S.	168 (Note)	268	235	291	297
<i>Business room</i>					
Number of idle days at Kwai Fong Y.E.S.	122 (73%)	176 (66%)	157 (67%)	161 (55%)	181 (61%)
Number of idle days at Mong Kok Y.E.S.	43 (26%)	89 (33%)	93 (40%)	124 (43%)	125 (42%)
<i>Design corner</i>					
Number of idle days at Kwai Fong Y.E.S.	146 (87%)	175 (65%)	163 (69%)	229 (79%)	265 (89%)
Number of idle days at Mong Kok Y.E.S.	148 (88%)	223 (83%)	228 (97%)	269 (92%)	260 (88%)

Source: Audit analysis of LD records

Note: According to LD, the fewer number of opening days of the Y.E.S. in 2020 was because of the implementation of social distancing measures due to COVID-19 epidemic.

Remarks: In the period from 1 January 2025 to 30 June 2025:

- (a) the business rooms at Kwai Fong Y.E.S. and Mong Kok Y.E.S. were left idle for 79% and 62% of the opening days of the Y.E.S. respectively; and*
- (b) the design corners at Kwai Fong Y.E.S. and Mong Kok Y.E.S. were left idle for 88% and 99% of the opening days of the Y.E.S. respectively.*

3.36 Audit considers that LD needs to ascertain the reasons for the low utilisation of some Y.E.S. facilities and take measures to improve the utilisation of Y.E.S. facilities with low utilisation.

Audit recommendations

- 3.37 **Audit has recommended that the Commissioner for Labour should:**
- (a) **take measures to ensure that the basis of determining the target number of participants for the training activities is documented by the Y.E.S. operator;**
 - (b) **take measures to ensure that all factors stipulated in LD's guidelines (including the actual enrolment of past training activities of similar nature) are taken into account when determining the target number of participants;**
 - (c) **review the reasonableness of the target number of participants and take measures to ensure that a reasonable target number of participants is adopted by the Y.E.S. operator in calculating attendance rates of training activities;**
 - (d) **take measures to enhance the guidelines on the inspections of Y.E.S. training activities, including:**
 - (i) **setting an annual target for the number of inspections to be conducted;**
 - (ii) **stipulating the criteria for selecting training activities for conducting inspections;**
 - (iii) **setting out the risk areas to be inspected by LD staff during the inspections; and**
 - (iv) **stipulating the requirements on documentation of the findings of the inspections conducted and the follow-up actions to be taken;**
 - (e) **take measures to promote the use of career assessment kit and the consultation services to Y.E.S. members who have career guidance needs, with a view to helping them better understand their potentials and choose a suitable career path;**

- (f) **take further measures to encourage more Y.E.S. members to attend the recruitment events;**
- (g) **take measures to enhance the mock interview service and encourage more Y.E.S. members to use the mock interview service; and**
- (h) **ascertain the reasons for the low utilisation of some Y.E.S. facilities and take measures to improve the utilisation of Y.E.S. facilities with low utilisation.**

Response from the Government

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

- (a) apart from considering those factors stipulated in the service contracts, LD will also take measures to ensure that all relevant factors stipulated in LD's guidelines will be taken into account when determining the target number of participants for training activities, and the basis of determining the target number will be properly documented;
- (b) LD has been conducting on-site inspections of training activities and checking attendance rates to closely monitor the provision of Y.E.S. services. To further enhance the monitoring, LD will review the guidelines for inspections of training activities; and
- (c) under the existing service contracts with the Y.E.S. operator, the performance indicators include the number of times Y.E.S. services used and the number of recruitment events organised. LD will take measures to further enhance the utilisation of the services and facilities of Y.E.S.

Other issues related to Youth Employment Start

Delays in submission of reports

3.39 According to LD's guidelines, the Y.E.S. operator is required to submit the following reports to LD for each Y.E.S.:

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- (a) a quarterly report within 5 working days after the end of each quarter;
- (b) an interim report by end of January of the second and third years of the contract period; and
- (c) an end-of-project report within one month after the end date of each service contract.

3.40 Audit examined the submission of the quarterly reports, interim reports and end-of-project reports by the Y.E.S. operator in the period from 2020 to 2025 (up to 30 June 2025) and noted that there were delays in submission of some reports:

- (a) **Quarterly reports.** Of the 32 quarterly reports submitted in the period, 28 (88%) were submitted with delays, ranging from 2 to 25 working days (averaging 7 working days). According to LD, as it recognised the challenges faced by the Y.E.S. operator to submit quarterly reports within the timeframes stipulated in LD's guidelines, it adopted a flexible approach by allowing the Y.E.S. operator to submit quarterly reports at least 5 working days before the quarterly management meetings. Audit further analysed the timeliness on the submission of quarterly reports in accordance with the extended timeframe and found that 6 (19%) of the 32 quarterly reports were still submitted with delays. The delays ranged from 2 to 3 working days (averaging 2 working days); and
- (b) **End-of-project reports.** 1 (50%) of the 2 end-of-project reports was submitted with delay. The delay was 15 working days.

3.41 Audit considers that LD needs to:

- (a) review the timeframe for submission of quarterly reports and revise the guidelines on the timeframe where necessary; and
- (b) take measures to ensure that all quarterly reports, interim reports and end-of-project reports are submitted by the Y.E.S. operator in accordance with the stipulated timeframes.

Room for improvement in developing and using AI training facilities

3.42 According to LD, it has been exploring the use of AI applications in presentation and job interview training. As of August 2025, the following AI training facilities have been provided at the two Y.E.S.:

- (a) ***AI Classroom: Elite Presentation Training.*** In July 2022, the AI training facility, namely the “AI Classroom: Elite Presentation Training” (hereinafter referred to as “AI classroom”) was launched as a pilot programme to supplement the mock interview service to assist Y.E.S. members in practising speech and presentation skills; and
- (b) ***Trial: AI-powered communication training platform.*** In October 2024, a project of developing the advanced AI training platforms, namely the “Trial: AI-powered communication training platform” (hereinafter referred to as “AI training platform”) commenced, with project completion scheduled for October 2025. According to LD, the AI training platform would help Y.E.S. members to prepare for the job interviews and improve their interview skills by conducting mock interviews with six job options.

3.43 Audit examined the development and usage of the AI training facilities from July 2022 to June 2025 and found that:

- (a) ***Low usage of AI classroom.*** Since the launch of AI classroom in July 2022, the usage of the facility by Y.E.S. members has been very low. Y.E.S. members used the facility for 43 times in 2022, twice in each of 2023 and 2024, and only once in 2025 (up to 30 June 2025). Audit also noted that while AI classroom had been promoted on the social media platforms in 2022, there was no further promotion of the facility thereafter. As at July 2025, there was no information relating to AI classroom on the Y.E.S. website and the mobile application; and
- (b) ***Need to keep in view the progress of launching the finalised AI training platform.*** Upon completion of user acceptance tests, the AI training platform was launched in July 2025 as a test-run programme for use and comments by Y.E.S. members. According to LD, after further fine-tuning of the programme, the finalised version of the AI training platform will be launched at Y.E.S. in October 2025 after conducting performance evaluation.

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3.44 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) AI classroom was introduced as a free trial programme for a period of 6 weeks in 2022 to collect the views from Y.E.S. members;
- (b) based on the positive feedback from Y.E.S. members during the trial period, an advanced version of the AI training platform would be developed for job interview skills training (see para. 3.42(b)). The AI training platform would cover the functions of AI classroom. In tandem, Y.E.S. members were allowed to use AI classroom upon request after the trial period on a discretionary basis; and
- (c) with the development of the advanced version of AI training facility, AI classroom had been phasing out.

3.45 Audit considers that LD needs to:

- (a) draw lessons from the implementation of AI classroom with a view to better catering for the needs of Y.E.S. members in the development of the finalised AI training platform;
- (b) keep in view the progress of launching the finalised AI training platform and take measures to ensure that the project of AI training platform is completed according to schedule; and
- (c) take measures to encourage Y.E.S. members to use the finalised AI training platform upon its launch, for example, by promoting AI training platform on the website, the mobile application and the social media platform of Y.E.S.

Need to review the effectiveness of Y.E.S.

3.46 LD has been operating the two Y.E.S. since 2007 and 2008 respectively. Audit found that the expenditure of Y.E.S. per member for the period from the financial years 2020-21 to 2024-25 was on an increasing trend. The expenditure of Y.E.S. per member increased by 154% from \$284 in the financial year 2020-21 to \$720 in the financial year 2024-25 (see Table 13).

Table 13

**Expenditure of Y.E.S. per member
(Financial years 2020-21 to 2024-25)**

	2020-21	2021-22	2022-23	2023-24	2024-25
Expenditure (a) (\$'000)	19,672	22,002	23,626	24,650	25,193
Average number of registered Y.E.S. members (b) (Note)	69,280	59,049	48,552	39,946	35,000
Expenditure of Y.E.S. per member (c) = (a) ÷ (b) (\$)	284	373	487	617	720

Source: Audit analysis of LD records

Note: The average number of registered Y.E.S. members for a financial year is calculated by dividing the sum of the numbers of registered Y.E.S. members as at each month end by 12.

3.47 Audit noted that, since the establishment of the two Y.E.S. in 2007 and 2008 and up to August 2025, LD has not conducted any comprehensive review on Y.E.S. In Audit's view, there is a need to conduct a comprehensive review on the effectiveness of Y.E.S. taking into account the following:

- (a) the number of registered Y.E.S. members decreased significantly by 62% from its record high of 85,469 members as at 31 December 2017 to 32,707 members as at 30 June 2025;
- (b) of the 32,707 members as at 30 June 2025, 26,591 (81%) had not used the facilities or services of Y.E.S. for one year or more (see para. 3.6); and

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- (c) some Y.E.S. services, e.g. the career assessment kit and consultation sessions recorded low usage (see para. 3.23) and recruitment events recorded low attendance (see para. 3.27).

Audit considers that LD needs to conduct a comprehensive review on the effectiveness of Y.E.S. and take improvement measures accordingly.

Audit recommendations

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

- (a) **review the timeframe for submission of quarterly reports and revise the guidelines on the timeframe where necessary;**
- (b) **take measures to ensure that all quarterly reports, interim reports and end-of-project reports are submitted by the Y.E.S. operator in accordance with the stipulated timeframes;**
- (c) **draw lessons from the implementation of AI classroom with a view to better catering for the needs of Y.E.S. members in the development of the finalised AI training platform;**
- (d) **keep in view the progress of launching the finalised AI training platform and take measures to ensure that the project of AI training platform is completed according to schedule;**
- (e) **take measures to encourage Y.E.S. members to use the finalised AI training platform upon its launch, for example, by promoting AI training platform on the website, the mobile application and the social media platform of Y.E.S.; and**
- (f) **conduct a comprehensive review on the effectiveness of Y.E.S. and take improvement measures accordingly.**

Response from the Government

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

- (a) LD has adopted a flexible approach to allow the Y.E.S. operator to submit quarterly reports in accordance with the adjusted timeframes, and will review and ensure that the reports will be submitted within the specified timeframes;
- (b) LD has been closely monitoring the development of AI training platform, in light of the implementation of AI classroom. LD will strengthen the promotion of the finalised AI training platform to Y.E.S. members after its launch; and
- (c) LD has been monitoring the effectiveness of Y.E.S. through conducting surveys for selected events and collecting views through focus groups. LD will continue to keep a close watch on the employment market situation, and strive to enhance the services and facilities of Y.E.S. to meet the evolving needs of young people.

PART 4: GREATER BAY AREA YOUTH EMPLOYMENT SCHEME

4.1 This PART examines the issues related to GBA YES, focusing on the following areas:

- (a) overall performance (paras. 4.2 to 4.18);
- (b) vetting of job vacancies and processing of applications for allowances (paras. 4.19 to 4.28); and
- (c) other issues related to GBA YES (paras. 4.29 to 4.49).

Overall performance

Discrepancy between expected and actual number of university graduates benefitted from the regularised GBA YES

4.2 The pilot GBA YES was launched in January 2021 to help young people seize the opportunities for career development in GBA. GBA YES was regularised in March 2023 upon the positive feedback from both the enterprises and young people (see para. 1.9). In April 2023, LD informed the Panel on Manpower of the Legislative Council that the regularised GBA YES was expected to benefit 1,000 university graduates each year (Note 34). Audit noted that the actual number of university graduates benefitted from the regularised GBA YES fell short of the expected number in 2023 and 2024. In 2023 and 2024, the number of university graduates benefitted from the regularised GBA YES was 718 and 417 respectively. The discrepancy between the expected number and the actual number of university graduates benefitted from the regularised GBA YES was 282 (i.e. 28%) in 2023 and 583 (i.e. 58%) in 2024.

Note 34: *From January 2021 to December 2024, young people awarded bachelor's degrees or above were eligible to participate in GBA YES. The eligibility requirement of GBA YES was relaxed to include young people with sub-degree or higher qualifications with effect from January 2025.*

4.3 In response to Audit's enquiry, LD informed Audit in July and September 2025 that:

- (a) participation in GBA YES was demand-driven. The figure of 1,000 university graduates to be benefitted from GBA YES each year was an estimation for budgeting purpose instead of a yearly target;
- (b) there were many factors, such as the economic environment, labour market situation, manpower needs of the business enterprises and employment opportunities for young people, affecting the number of employed young people each year; and
- (c) with effect from January 2025, the eligibility requirement of GBA YES had been relaxed to include young people with sub-degree or higher qualifications. After the relaxation of the eligibility requirement, the expected number of young people to be benefitted from GBA YES had been revised to 700 each year for budgeting purpose, taking into consideration the economic environment, labour market situation, impact of the enhancement measures introduced as well as the operational experience in previous years.

4.4 Audit considers that LD needs to keep under review the participation situation of GBA YES after the relaxation of eligibility requirement and take measures to encourage more young people to participate in GBA YES.

Need to fill job vacancies offered by enterprises

4.5 Enterprises interested in joining GBA YES and offering job vacancies shall submit the job vacancy information to LD. LD will vet the job vacancies to ensure compliance with the scheme requirements before disseminating the vacancy information through different platforms, including uploading to the relevant webpages of LD, organising job fairs, displaying in LD's job centres/social media, and/or other promotional channels, etc. Enterprises may also recruit through other means on their own arrangements. Interested young people can contact the enterprises according to the application methods listed on vacancies for application direct.

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4.6 Audit examined the records of job vacancies offered by enterprises in the period from the launch of the pilot GBA YES in January 2021 to December 2024 (Note 35) and noted that less than half of the vacancies offered by enterprises were filled:

- (a) **Pilot GBA YES.** 1,091 (31%) of 3,494 vacancies offered by enterprises under the pilot GBA YES were filled; and
- (b) **Regularised GBA YES.** Up to 30 June 2025, 1,135 (24%) of 4,726 vacancies offered by enterprises under the regularised GBA YES in the period from March 2023 to December 2024 were filled.

4.7 In response to Audit's enquiry, LD informed Audit in August and September 2025 that:

- (a) the number of employed young people under GBA YES was affected by many factors, such as the economy and labour market, manpower needs of the business enterprises and employment opportunities for young people;
- (b) it was not uncommon that not all job vacancies recorded by LD could be filled by candidates of LD. Enterprises might have found the right candidates for the job vacancies who were not eligible to join GBA YES; and
- (c) apart from actively promoting GBA YES amongst employers and tertiary institutions through various channels, LD had all along been maintaining close liaison with stakeholders, gauging their feedback and views to deliberate any facilitation and/or enhancement measures to help enterprises and young people to participate in GBA YES.

4.8 Audit considers that LD needs to take further measures to facilitate young people to fill the job vacancies offered by enterprises under GBA YES.

Note 35: *According to LD, as of August 2025, enterprises were still recruiting young people for the job vacancies offered by enterprises in 2025 and the percentage of filled vacancies was not yet finalised.*

Need to encourage employed young people to complete the 18-month employment period

4.9 According to LD, employed young people under GBA YES are encouraged to complete the 18-month employment period so as to gain experience in GBA, develop professional skills, broaden their horizons and enhance connection with the Mainland, which will be beneficial to their career development. Audit examined the employment records of the employed young people under the pilot GBA YES and the regularised GBA YES in the 2023 cohort (Note 36). Audit noted that:

- (a) ***Pilot GBA YES.*** Of the 1,091 employed young people under the pilot GBA YES, 404 (37%) young people did not complete the 18-month employment period (Note 37). According to LD, 87% of the prematurely terminated employments resulted from employee's resignation; and
- (b) ***Regularised GBA YES.*** Of the 718 employed young people under the regularised GBA YES in the 2023 cohort, as at 30 June 2025, 349 (49%) young people did not complete the 18-month employment period (Note 38). According to LD, 76% of the prematurely terminated employments resulted from employee's resignation.

4.10 According to LD's guidelines, if enterprises or the employed young people prematurely terminate the employment, enterprises must complete the "Notice of Employment Termination" and submit to LD within 7 working days upon the termination of employment contract. The "Notice of Employment Termination"

Note 36: *According to LD, the cohort under the regularised GBA YES refers to the recruitment period of enterprises cum application period of graduates as stipulated in the "Guidelines for Participating Enterprises" of the Scheme. The 2023 cohort was from 1 March 2023 to 31 December 2023. The 2024 cohort was from 15 February 2024 to 31 December 2024. As at 30 June 2025, the employment records of 33 employed young people under the regularised GBA YES in the 2023 cohort were not available and follow-up by LD was in progress. For those engaged under the 2024 cohort and onwards, as some employed young people were still undergoing the 18-month employment period, their records on completion of employment were not yet available.*

Note 37: *55 young people who had withdrawn or were rejected from the pilot GBA YES were not included.*

Note 38: *33 young people who had withdrawn or were rejected from the regularised GBA YES were not included.*

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would require enterprises to state the reason for termination of employment contracts. LD would follow up with the enterprises and young people concerned for clarification and provide assistance where necessary.

4.11 Audit reviewed the records of submission of “Notice of Employment Termination” by enterprises under the pilot GBA YES and the regularised GBA YES in the 2023 cohort. Audit found that:

- (a) ***Need to ensure timely submission of “Notice of Employment Termination”.*** There were delays in submission of “Notice of Employment Termination” on some occasions:
 - (i) ***Pilot GBA YES.*** Of the 404 young people who did not complete the 18-month employment period under the pilot GBA YES (see para. 4.9(a)), up to 30 June 2025, the “Notice of Employment Termination” for 6 (1%) young people (involving 4 enterprises) had not been submitted to LD. For the remaining 398 young people, there were delays in submission of “Notice of Employment Termination” for 156 (39%) young people. The delays ranged from 1 to 441 working days (averaging 69 working days); and
 - (ii) ***Regularised GBA YES.*** Of the 349 young people who did not complete the 18-month employment period under the regularised GBA YES in the 2023 cohort (see para. 4.9(b)), up to 30 June 2025, the “Notice of Employment Termination” for 14 (4%) young people (involving 9 enterprises) had not been submitted to LD. For the remaining 335 young people, there were delays in submission of “Notice of Employment Termination” for 121 (36%) young people. The delays ranged from 1 to 198 working days (averaging 40 working days); and
- (b) ***Reasons for termination of employment contracts not documented.*** The reasons for termination of employment contracts were not documented on some occasions:
 - (i) ***Pilot GBA YES.*** For 7 (2%) of the 404 young people who did not complete the 18-month employment period under the pilot GBA YES (see para. 4.9(a)), the reasons for termination of

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employment contracts were not documented in the “Notice of Employment Termination”; and

- (ii) **Regularised GBA YES.** For 2 (1%) of the 349 young people who did not complete the 18-month employment period under the regularised GBA YES in the 2023 cohort (see para. 4.9(b)), the reasons for termination of employment contracts were not documented in the “Notice of Employment Termination”.

4.12 In response to Audit’s enquiry, LD informed Audit in September 2025 that:

- (a) LD had reminded enterprises to submit the completed “Notice of Employment Termination” in a timely manner through daily contacts and correspondences with the enterprises. For cases with relatively long period of delays and enterprises with repeated late submissions, LD had followed up on the reasons of late submissions and issued reminders to advise enterprises to adhere to LD’s guidelines;
- (b) whenever noticing the employment had been prematurely terminated or the reason for termination was not recorded, LD would follow up with the enterprise and the young people concerned as far as possible to gather employment records; and
- (c) at the end of each cohort, LD contacted the enterprises and young people to follow up if the employment status had not been recorded by LD.

4.13 Audit considers that LD needs to:

- (a) analyse the reasons for premature employment termination and take effective measures to encourage the employed young people under GBA YES to complete the 18-month employment period; and
- (b) take measures to ensure that “Notice of Employment Termination” is submitted by the enterprises under GBA YES in a timely manner and the reasons for termination of employment contracts are stated in the “Notice of Employment Termination”.

Need to encourage enterprises to continue employing the hired young people upon completion of subsidy period under GBA YES

4.14 According to LD's guidelines, enterprises are encouraged to continue to employ the hired young people upon completion of the 18-month subsidy period under GBA YES. Audit noted that:

- (a) ***Pilot GBA YES.*** Of the 632 young people who had completed the 18-month subsidy period under the pilot GBA YES, 464 (73%) young people continued to be employed by the enterprises upon completion of the subsidy period; and
- (b) ***Regularised GBA YES.*** Of the 303 young people who had completed the 18-month subsidy period under the regularised GBA YES in the 2023 cohort with employment status reported as at 30 June 2025 (Note 39), 153 (51%) young people were reported to continue to be employed by the enterprises upon completion of the subsidy period.

4.15 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) hired young people did not continue to be employed by the enterprises upon completion of the subsidy period under GBA YES because:
 - (i) the enterprises did not offer opportunities for continuous employment for reasons such as change in manpower planning and restructuring of business; and
 - (ii) the young people declined job offers by the enterprises for reasons such as getting better job offers, pursuing further studies, family and/or personal reasons, etc.; and

Note 39: *According to LD, of the 336 young people who had completed the 18-month subsidy period under the regularised GBA YES in the 2023 cohort, it was following up the employment status of 33 young people (see Note 36 to para. 4.9). As such, only 303 (336 less 33) young people had completed the 18-month subsidy period under the regularised GBA YES in the 2023 cohort with employment status reported as at 30 June 2025.*

- (b) young people gained valuable experience and exposure in GBA, whether or not they continued their employment with the same enterprise. GBA YES fulfilled the objective of fostering career development of young people and the exchange of talents in GBA.

4.16 Audit considers that LD needs to ascertain the reasons why the hired young people did not continue to be employed by the enterprises upon completion of the subsidy period under GBA YES and take measures to encourage enterprises to continue employing them.

Audit recommendations

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

- (a) **keep under review the participation situation of GBA YES after the relaxation of eligibility requirement and take measures to encourage more young people to participate in GBA YES;**
- (b) **take further measures to facilitate young people to fill the job vacancies offered by enterprises under GBA YES;**
- (c) **analyse the reasons for premature employment termination and take effective measures to encourage the employed young people under GBA YES to complete the 18-month employment period;**
- (d) **take measures to ensure that “Notice of Employment Termination” is submitted by the enterprises under GBA YES in a timely manner and the reasons for termination of employment contracts are stated in the “Notice of Employment Termination”; and**
- (e) **ascertain the reasons why the hired young people did not continue to be employed by the enterprises upon completion of the subsidy period under GBA YES and take measures to encourage enterprises to continue employing them.**

Response from the Government

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

- (a) while the participation in GBA YES is demand-driven and there are many factors affecting the number of young people joining GBA YES, LD will continue to closely monitor the implementation situation after the relaxation of eligibility requirements. LD will also continue promoting GBA YES to enterprises and tertiary institutions through various channels, gauging the views from different stakeholders and formulating appropriate enhancement measures to encourage more enterprises and young people to participate in GBA YES;
- (b) while acknowledging various reasons for premature termination of employment or the discontinuation of employment upon completion of 18-month subsidy period, LD will continue to follow up closely on the employment situation of young people with a view to exploring measures to encourage their completion of the 18-month employment period and continuous employment thereafter; and
- (c) LD will step up measures to require enterprises to timely submit the “Notice of Employment Termination” with reasons for termination documented to facilitate follow-up and analysis of the reasons for termination.

Vetting of job vacancies and processing of applications for allowances

Need to review and consider setting a more challenging time target for completing the vetting of job vacancies

4.19 Enterprises interested in joining GBA YES and offering job vacancies shall submit the job vacancy information, together with a copy of a valid Business Registration Certificate or other valid/recognised registration certificates in Hong Kong, and a copy of a valid business registration certificate/relevant business license issued by relevant authorities of the Mainland to LD. LD’s Greater Bay Area Youth Employment Division (see para. 1.11(b)) is responsible for vetting the job

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vacancies and the supporting documents provided by the enterprises. In the period from the launch of the pilot GBA YES in January 2021 to June 2025, LD received:

- (a) 3,494 job vacancies under the pilot GBA YES; and
- (b) 6,622 job vacancies under the regularised GBA YES.

4.20 According to LD's guidelines effective from January 2025, an approval of job vacancy would be issued to the enterprise by email within 7 working days after verifying that the job vacancy information and all the required supporting documents/information provided by an enterprise is complete, accurate and in compliance with requirements of GBA YES and relevant labour legislations. Audit analysed the time taken for completing the vetting of job vacancies received in the period from January 2025 to June 2025. Audit found that the vetting of all 1,592 approved job vacancies were completed within the time target of 7 working days. The average time taken for completing the vetting of the job vacancies was 1 working day (ranging from 0 to 6 working days (Note 40)), which was shorter than the time target of 7 working days.

4.21 To ensure more effective performance management, Audit considers that LD needs to review and consider setting a more challenging time target for completing the vetting of job vacancies under GBA YES.

Need to ensure that preliminary applications for allowances are submitted in a timely manner

4.22 In the period from the launch of the pilot GBA YES in January 2021 to June 2025, LD disbursed allowances of:

- (a) \$117.9 million to enterprises of the pilot GBA YES; and
- (b) \$81.2 million to enterprises of the regularised GBA YES.

Note 40: *For the cases which LD received a job vacancy and completed the vetting of the job vacancy on the same day, the time taken was referred to as 0 day.*

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4.23 According to LD's guidelines, after employing the young people, enterprises must complete the form of "Preliminary Application for Allowance and Accommodation Arrangement", and return the completed form together with the necessary supporting documents to LD for vetting no later than 7 working days upon the commencement of employment of the young people.

4.24 Audit reviewed LD's processing of the 2,288 preliminary applications for allowances approved by LD in the period from the launch of the pilot GBA YES in January 2021 to June 2025 and noted that for 397 (17%) preliminary applications, there were delays in submission. The delays ranged from 1 to 117 working days (averaging 15 working days).

4.25 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) to better manage the applications under the regularised GBA YES, LD had reminded enterprises to submit the form of "Preliminary Application for Allowance and Accommodation Arrangement" and respective documents to LD in a timely manner in each notice of approval of job vacancy issued to an enterprise;
- (b) the delays of submission by the enterprises were due to various reasons such as staff changes, operational difficulties, more time for gathering the necessary supporting documents, etc.; and
- (c) for the late submission cases, verbal advice had been given to the enterprises to adhere to the relevant provisions of LD's guidelines.

4.26 Audit considers that LD needs to:

- (a) take measures to ensure that preliminary applications for allowances of GBA YES are submitted by enterprises in a timely manner; and
- (b) take measures to ensure that the follow-up actions taken for late submission of preliminary applications for allowances of GBA YES are properly documented.

Audit recommendations

- 4.27 **Audit has *recommended* that the Commissioner for Labour should:**
- (a) **review and consider setting a more challenging time target for completing the vetting of job vacancies under GBA YES;**
 - (b) **take measures to ensure that preliminary applications for allowances of GBA YES are submitted by enterprises in a timely manner; and**
 - (c) **take measures to ensure that the follow-up actions taken for late submission of preliminary applications for allowances of GBA YES are properly documented.**

Response from the Government

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

- (a) LD will closely monitor the vetting process, review and revise the time target for vetting job vacancies under GBA YES; and
- (b) LD will put in place measures to require enterprises to submit preliminary applications for allowances of GBA YES in a timely manner, step up follow-up actions on late submissions and ensure proper documentation of all follow-up actions.

Other issues related to Greater Bay Area Youth Employment Scheme

Site inspections not conducted

4.29 According to LD's guidelines, LD has the right to conduct site inspections of the workplaces to follow up with employed young people under GBA YES of their adaptation to work and require enterprises to submit relevant documents, such as attendance records and payroll records of the employed young people for inspection.

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4.30 Audit noted that:

- (a) since the launch of the pilot GBA YES in January 2021 up to June 2025, LD had not conducted any site inspections to workplaces in the Mainland; and
- (b) there were no guidelines on the target number of site inspections to be conducted each year, the scope of checks to be conducted, the basis for selecting enterprises for conducting site inspections, and the follow-up actions on the findings identified from the site inspections.

4.31 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) the "Guidelines for Participating Enterprises" stated that LD had the right to conduct site inspections to workplaces of the employed young people; and
- (b) while no site inspections to workplaces in the Mainland had been conducted because of the differing jurisdictions of Hong Kong and the Mainland, LD had commissioned service providers to provide support services on working and living in the Mainland to the employed young people since the launch of the regularised GBA YES, among which telephone hotline and social media chat groups were operated for providing them with immediate advice and assistance. Service providers had also referred cases to LD for following up as necessary.

4.32 While noting that LD had not conducted site inspections to workplaces in the Mainland because of the differing jurisdictions of Hong Kong and the Mainland (see para. 4.31(b)), Audit considers that there are merits for LD to explore alternative measures to address the issue (e.g. making use of video conferencing technology to conduct virtual inspections).

- 4.33 Audit considers that LD needs to:
- (a) conduct site inspections to enterprises of GBA YES as far as possible and explore alternative measures (e.g. making use of video conferencing technology to conduct virtual inspections) if site inspections cannot be conducted; and
 - (b) promulgate guidelines on site inspections to enterprises of GBA YES, and/or adopting alternative measures, including:
 - (i) the target number of site inspections and/or alternative measures to be conducted each year;
 - (ii) the scope of checks to be conducted;
 - (iii) the basis for selecting enterprises for conducting site inspections and/or adopting alternative measures; and
 - (iv) the follow-up actions on the findings identified from the site inspections and/or alternative measures.

Prior written consent not sought for sub-contracting arrangement in provision of support services

4.34 Since May 2023, LD has engaged contractors to provide support services for the employed young people under the regularised GBA YES. The scope of support services includes operating service centres in the Mainland cities of GBA, providing telephone hotline and support through social media chat groups, and organising activities (e.g. visits to enterprises in the Mainland and preparatory talks). Details were as follows:

- (a) ***Direct engagement in 2023.*** In April 2023, LD awarded a service contract to Contractor A for provision of support services in the Mainland cities of

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GBA by direct engagement (Note 41). The contract period was 2 years from 2 May 2023 to 1 May 2025 with a contract value of \$7.1 million. According to the proposal submitted by Contractor A to LD, part of the support services (e.g. organising visits to enterprises in the Mainland) would be sub-contracted to Contractor B; and

- (b) ***Open tendering in 2025.*** Taking into consideration the market research results, feedback from stakeholders as well as operational experience, LD decided to conduct open tendering for a service contract for the support services in the Mainland cities of GBA. The tendering exercise commenced in February 2025 and two tenders were received. In April 2025, LD awarded a service contract to Contractor A, with the contract period of 2 years from 2 May 2025 to 1 May 2027 and a contract value of \$7.4 million.

4.35 ***Prior written consent for sub-contracting arrangement to Contractor B not sought.*** According to the tender documents of the existing service contract (2 May 2025 to 1 May 2027), the contractor shall seek prior written consent of the Government to assign, transfer, sub-contract or otherwise dispose of any of its rights, obligations or liabilities under the contract, or any part share of interest therein. On 20 May 2025 (i.e. 18 days after the commencement of the service contract), Contractor A informed LD that part of the support services (e.g. organising visits to enterprises in the Mainland) had been sub-contracted to Contractor B for the whole contract period from 2 May 2025 to 1 May 2027. However, Audit noted that such sub-contracting arrangement had not been included in Contractor A's tender proposal and no prior written consent had been sought from LD for the sub-contracting arrangement.

4.36 In response to Audit's enquiry, LD informed Audit in August 2025 that for the service contract commenced in May 2025, during a meeting with Contractor A held on 12 May 2025 (i.e. 10 days after the commencement of the service contract), verbal approval was given for Contractor B to be engaged in the capacity of a sub-contractor. On 2 September 2025 (i.e. 4 months after the commencement of the

Note 41: *According to LD, the service contract was awarded by direct engagement because there was imminent need to engage contractors which had rich experience and were capable of providing the support services in the Mainland when enterprises started offering employment to young people.*

service contract), LD gave covering written consent for the sub-contracting arrangement.

4.37 Audit considers that LD needs to take measures to ensure that prior written consent is sought by the contractor on the sub-contracting arrangement for the service contract of GBA YES in future.

Delays in submission of proposals for preparatory talks

4.38 Preparatory talks were organised to prepare young people for working and living in the Mainland before they depart from Hong Kong or have just arrived in the Mainland cities of GBA. According to the service contract between LD and the contractor, the contractor is required to submit proposals with details of the dates, venues and speakers of the preparatory talks to LD no later than one month before the date of the preparatory talks.

4.39 Audit found that, for 8 (19%) of the 42 preparatory talks conducted in the period from May 2023 to April 2025, the proposals were submitted with delays. The delays ranged from 2 to 19 days (averaging 11 days).

4.40 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) for 5 (63%) of the 8 occasions of late submissions of proposals, late submissions occurred in July 2023 and were attributed to the fact that the contractor was not familiar with the contract terms as it was the first time to provide such service under the service contract; and
- (b) for the remaining 3 (37%) occasions, late submissions were mainly caused by the late confirmation of the availability of the speakers.

4.41 Audit considers that LD needs to take measures to ensure that the proposals for preparatory talks are submitted by the contractor in a timely manner.

Need to consider setting performance targets or indicators on GBA YES

4.42 According to LD, GBA YES is an important initiative to help young people seize the opportunities for career development in GBA. Audit noted that while the performance indicators relating to YETP and Y.E.S. had been reported in COR, no performance targets or indicators on GBA YES were reported in COR. Audit considers that LD needs to consider setting performance targets or indicators on GBA YES.

Need to evaluate the effectiveness of GBA YES

4.43 In October 2023 and May 2024, some Members of the Legislative Council expressed concerns about the effectiveness of GBA YES, as evidenced by:

- (a) only 1,091 (31%) of the 3,494 job vacancies offered by enterprises under the pilot GBA YES were filled (see para. 4.6(a)); and
- (b) of the 1,091 employed young people under the pilot GBA YES, 404 (37%) young people did not complete the 18-month employment period (see para. 4.9(a)).

4.44 Audit noted that, under the regularised GBA YES:

- (a) while 4,726 job vacancies were offered by enterprises under the regularised GBA YES in the period from March 2023 to December 2024, up to 30 June 2025, only 1,135 (24%) were filled (see para. 4.6(b)); and
- (b) of the 718 employed young people under the regularised GBA YES in the 2023 cohort, as at 30 June 2025, 349 (49%) young people did not complete the 18-month employment period (see para. 4.9(b)).

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4.45 Audit analysed the expenditure of GBA YES per participating young person (Note 42). The expenditure of GBA YES per participating young person for the pilot GBA YES was \$137,891. As at 30 June 2025, the expenditure of GBA YES per participating young person for the regularised GBA YES in the 2023 cohort was \$110,628 (Note 43). According to LD, the decrease in expenditure per participating young person is attributable to a number of factors, including young people's early resignations, part of their employment periods not qualifying for allowance (such as taking no pay leave and deploying to non-GBA Mainland cities for an extended period), and applications for allowances still under processing, etc.

4.46 In response to Audit's enquiry, LD informed Audit in September 2025 that:

- (a) after considering the results of a review on the pilot GBA YES, the regularised GBA YES was implemented in 2023 with the introduction of enhancement measures. Since 2025, with reference to the implementation of the regularised GBA YES for the past two years, further enhancement measures were introduced. These newly-implemented enhancement measures included, amongst others, relaxing the eligibility requirement for young people to participate in GBA YES, and adjusting the monthly subsidy (see Notes 9 and 10 to para. 1.9); and
- (b) it had commissioned a consultant to conduct a 3-year longitudinal study, which was commenced in March 2024. The study involved following up with the enterprises and young people with a view to understanding the employment situation of the young people, and collecting opinions from enterprises and young people on GBA YES.

4.47 Audit considers that LD needs to evaluate the effectiveness of GBA YES taking into account the results of the 3-year longitudinal study and formulate necessary enhancement measures accordingly.

Note 42: *The expenditure represented the allowances disbursed to the enterprises, excluding the promotion and operation expenditure.*

Note 43: *According to LD, as at 30 June 2025, as applications for allowances were still open for the 2023, 2024 and 2025 cohorts of the regularised GBA YES, the amount of allowances disbursed would be adjusted accordingly.*

Audit recommendations

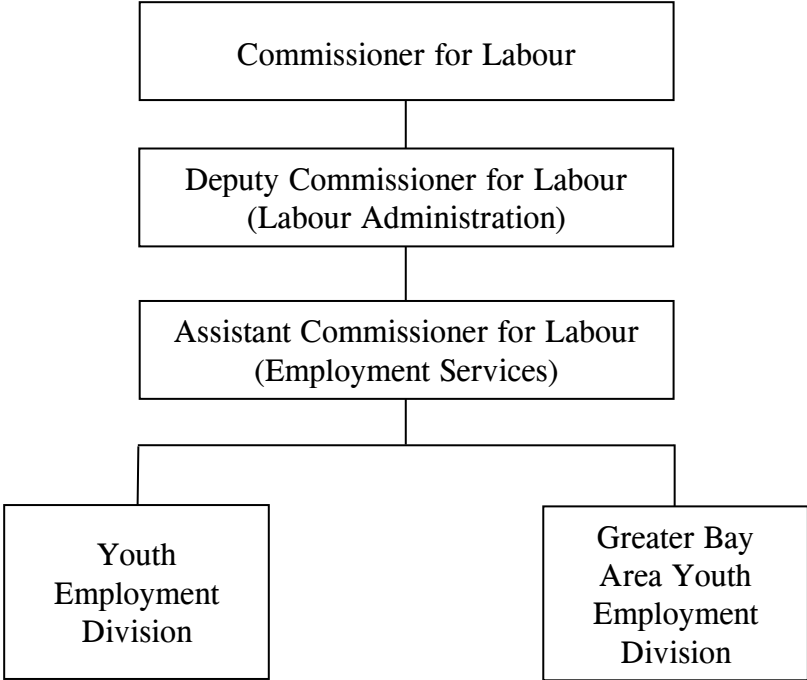
- 4.48 **Audit has *recommended* that the Commissioner for Labour should:**
- (a) **conduct site inspections to enterprises of GBA YES as far as possible and explore alternative measures (e.g. making use of video conferencing technology to conduct virtual inspections) if site inspections cannot be conducted;**
 - (b) **promulgate guidelines on site inspections to enterprises of GBA YES, and/or adopting alternative measures, including:**
 - (i) **the target number of site inspections and/or alternative measures to be conducted each year;**
 - (ii) **the scope of checks to be conducted;**
 - (iii) **the basis for selecting enterprises for conducting site inspections and/or adopting alternative measures; and**
 - (iv) **the follow-up actions on the findings identified from the site inspections and/or alternative measures;**
 - (c) **take measures to ensure that prior written consent is sought by the contractor on the sub-contracting arrangement for the service contract of GBA YES in future;**
 - (d) **take measures to ensure that the proposals for preparatory talks are submitted by the contractor in a timely manner;**
 - (e) **consider setting performance targets or indicators on GBA YES; and**
 - (f) **evaluate the effectiveness of GBA YES taking into account the results of the 3-year longitudinal study and formulate necessary enhancement measures accordingly.**

Response from the Government

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

- (a) to further enhance the monitoring mechanism, LD will review the site inspection arrangement and explore feasible alternative measures;
- (b) LD will continue to strive for effective contract management of the support services for the employed young people under GBA YES to ensure adherence of the contractor to the requirements of the service contract;
- (c) LD will consider including appropriate performance targets or indicators of GBA YES in COR alongside with other youth employment services provided by LD; and
- (d) the 3-year longitudinal study is being conducted to gauge the opinions of the participating young people and enterprises on GBA YES including the benefits for young people's personal and career development. Based on the findings of the longitudinal study, LD will take a holistic approach to evaluate the effectiveness of GBA YES and consider appropriate enhancement measures.

**Labour Department:
Organisation chart (extract)
(30 June 2025)**



Source: LD records

Acronyms and abbreviations

AI	Artificial Intelligence
Audit	Audit Commission
C&SD	Census and Statistics Department
COR	Controlling Officer's Report
ERB	Employees Retraining Board
GBA	Guangdong-Hong Kong-Macao Greater Bay Area
GBA WEP	Greater Bay Area Work Experience Attachment Programme
GBA YES	Greater Bay Area Youth Employment Scheme
HKSAR	Hong Kong Special Administrative Region
LD	Labour Department
NGOs	Non-governmental organisations
OJT	On-the-job training
WPA	Workplace attachment training
YETP	Youth Employment and Training Programme
Y.E.S.	Youth Employment Start