

# 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

## Executive Summary

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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

## Executive Summary

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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,

## Executive Summary

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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,

## Executive Summary

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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

## Executive Summary

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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

## Executive Summary

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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).

## Executive Summary

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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));**

## Executive Summary

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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));

## Executive Summary

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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.