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Mrs Vivian KAM
Clerk to House Committee
Legislative Council House Committee
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Mrs Kam,

I refer to the letter of 16 June 2006 from the Chairman of the Legislative Council House Committee to the Financial Secretary, enclosing the Report on Women in Poverty (the Report) by the Subcommittee to Study the Subject of Combating Poverty (the Subcommittee) established under the House Committee.

The Financial Secretary has referred the Report to the Secretary for Health, Welfare and Food to co-ordinate a general response. We have considered the Report in consultation with relevant bureaux and departments and I enclose herewith the Government's detailed response, in both Chinese and English, for Members' reference.

Yours sincerely,

(Hanny Lam)
for Secretary for Health, Welfare and Food

Encl.

C.C.

Administrative Assistant to the Financial Secretary
Secretary for Economic Development and Labour
Secretary for Education and Manpower
Secretary for Environment, Transport and Works
Secretary for Financial Services and Treasury
Secretary for Home Affairs
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House Committee of the Legislative Council

**Administration's Response to
The Report on Women in Poverty by the
Subcommittee to Study the Subject of Combating Poverty
Established under the House Committee of the Legislative Council**

INTRODUCTION

This paper sets out the Administration's response to the Report on Women in Poverty (the Report) prepared by the Subcommittee to Study the Subject of Combating Poverty (the Subcommittee) established under the House Committee of the Legislative Council (the LegCo). The Report contains 21 recommendations, including those relating to policy coordination within the Government, education and training, employment protection and services, welfare support and services, as well as equal development for both sexes. The Administration's response to these recommendations is summarized in the ensuing paragraphs.

DETAILS

Policy Co-ordination

Recommendation (a) – designate a bureau/department to assume the overall responsibility for coordinating policies and measures for alleviating the problems faced by women in poverty. The Commission on Poverty should also have a role to play in addressing the poverty problem faced by women

2. Poverty among women is a complicated issue with multi-faceted causes straddling a wide range of areas including education and training, employment services and protection, as well as welfare support and services. Relevant Government bureaux/departments are responsible to render, on areas under their purview, necessary assistance to those in need (including women in the low-income group). Relevant advisory boards, including the Commission on Poverty (CoP), the Equal Opportunities Commission (EOC) and the Women's Commission (WoC), have also been working closely with Government bureaux/departments to address the issue in a multi-disciplinary and coordinated manner. It is therefore considered unnecessary and impracticable to designate a bureau/department to undertake an overall coordinating role as recommended in the Report.

Education and Training

Recommendation (c) – provide 12-year universal education and allocate more resources for adult education including the provision of evening secondary school courses

Recommendation (d) – provide more targeted employment training for women of different age groups and different education background to enhance their employability

Recommendation (m) – consider providing insurance cover for about 10 000 local domestic helpers currently registered with ERB

3. At present, the Government provides equal access to nine-year free and universal primary and junior secondary education, as well as subsidised senior secondary education and training for all school-age children. When the new senior secondary academic structure is implemented with effect from the 2009/10 school year, students will be able to receive six years of primary and six years of secondary education.

4. In recent years, the Government has substantially increased resources allocated to various adult education initiatives. This includes the setting up of the Financial Assistance Scheme for Designated Evening Adult Education Courses to provide financial assistance to adult learners attending evening senior secondary courses conducted in designated centres, the introduction of the Skill Upgrading Scheme in 2001 to provide targeted skills training to in-service workers with low education levels, and the launch of the \$5 billion Continuing Education Fund in June 2002 to encourage our workforce to prepare themselves for the transformation of Hong Kong into a knowledge-based economy by pursuing continuing education.

5. Meanwhile, the Employees Retraining Board (ERB) offers about 140 courses and over 100 000 training places annually for those who are in need of such services to help enhance their employability and facilitate their early re-entry to the labour market. Since the establishment of employees retraining programme in 1992, more than 940 000 retrainees have benefited from various retraining courses, about 80% of whom are women.

6. With regard to the recommendation to provide insurance coverage for local domestic helpers (LDH) currently registered with ERB, it should be noted that employers are required to take out insurance policies for their employees and failure to do so will be an offence under the Employees' Compensation Ordinance. In this connection, the ERB has identified several insurance companies which offer a wide range of bargain insurance packages for employers' selection to facilitate their taking out insurance for the LDH trainees under the Integrated Scheme for Local Domestic Helpers.

Employment Protection and Support

Legal Protection

Recommendation (e) – review the Employment Ordinance to enable employees not engaged on a continuous employment contract to entitle to the full range of employment benefits on a pro rata basis

Recommendation (f) – review the anti-discrimination legislation to identify improvements to eliminate discrimination against women in employment, including age discrimination and dismissal upon return from maternity leave

7. The existing Employment Ordinance (EO) affords basic protection to all employees, irrespective of their hours of work and whether they are working on a permanent or part-time basis, and provides additional protection to those employed under a continuous contract. As regards the recommendation to enable those who are not engaged under a continuous employment contract to be entitled to a full range of employment benefits, it should be considered with great care and prudence, given its far-reaching implications to both employers and employees. The Census and Statistics Department is now conducting a survey on employees who are not employed on a continuous contract in order to gather updated information of the subject. The Labour Department (LD) will brief the Labour Advisory Board and the LegCo Panel on Manpower on the findings in due course.

8. On the issue of discrimination in employment, the Sex Discrimination Ordinance (SDO) makes it unlawful for employers to discriminate against their female employees in respect of employment terms and access to opportunities for promotion, transfer or training. The Family Status Discrimination Ordinance and the SDO also offer protection for women against dismissal upon resumption of work after maternity

leave.

9. As for the issue of age discrimination in employment, the public has yet to reach a consensus on the necessity and effectiveness for legislating against age discrimination. The Government therefore considers it more appropriate to tackle the issue by public education. We will continue with our efforts to promote equal employment opportunities through public education and publicity campaigns.

Outsourcing of Government Services

Recommendation (g) – ensure contractors of government services will strictly comply with the contract terms particularly the wages and employment conditions for their workers

Recommendation (h) – review the contracting-out arrangements and award more contracts to non-governmental organizations for providing more employment opportunities to disadvantaged groups

10. In the past few years, the Government has introduced a number of measures to strengthen protection for non-skilled workers employed by contractors of Government outsourced services. Such measures, which have been further tightened up since May 2006, will send a strong message to the contractors of Government outsourced services. Procuring departments have set up mechanism to monitor their contractors and will tighten up their monitoring mechanism as and when necessary.

11. As regards the recommendation to award more contracts to non-governmental organisations (NGOs) for providing more employment opportunities to disadvantaged groups, it should be noted that the decisions as to whether Government services should be outsourced are made by the departments concerned having regard to their operational needs. Government procurement is guided by the principles of open and fair competition and value for money. Consistent with these principles and the provisions of the World Trade Organisation's Agreement on Government Procurement, we will consider how to further facilitate bidding for Government contracts by social enterprises.

Family-friendly Employment Policy

Recommendation (j) – formulate a family-friendly policy, and encourage practices in public and private sectors to facilitate sharing of family responsibilities between the two sexes and women’s participation in the labour force and community services

12. The Employment Ordinance at present has laid a foundation for a “family-friendly” working environment. Besides, the Labour Department, through a network of 18 Human Resources Managers Clubs covering different sectors and other promotional activities such as seminars and discussion sessions, has strived to encourage employers to adopt “employee-oriented” good people management practices and draw up “family-friendly” measures with employees’ needs in mind so as to help employees balance their work and family lives.

Development of Community Economy

Recommendation (b) – extend the concept of social partnership to assist women to start their business in local community, and establish a fund to provide seed money for women to start such businesses

Recommendation (i) – review the Co-operative Society Ordinance and consider relaxing the requirement for 10 members to form a co-operative

13. To assist the disadvantaged to be self-reliant and to participate in paid economic activities, the Government has allocated \$30 million to the Home Affairs Department for implementing the Enhancing Self-Reliance Through District Partnership Programme. The aim is to support the disadvantaged (including women) to attain employment and self-reliance through various poverty alleviation measures at the district level, such as encouraging the development of social enterprises with the provision of seed money. The Programme is now open for application.

14. In addition, the Government is launching a series of initiatives to promote the development of social enterprises. This includes, among others, allocation of funds to provide support for social enterprises, further facilitating social enterprises to bid for Government contracts, nurturing social entrepreneurs, and extending the existing support measures for small and medium enterprises to cover social enterprises. As social enterprises may operate in the form of co-operatives, we believe that the above facilitation measures can address the major concerns raised by cooperatives and

potential cooperatives.

Welfare Services and Support

Family Services

Recommendation (p) – consider establishing “one-stop” service centres for low-income families in each of the 18 districts, with separate units to cater for the specific needs of single parents and new arrivals

15. As regards family services, a wide spectrum of preventive, support and remedial services are provided through 61 Integrated Family Service Centres (IFSCs) set up across the territory for people in need, including low-income families, single parents as well as new arrivals and their children. Extended hours of service have been provided at IFSCs to meet clients’ needs. Social workers of the IFSCs are also equipped with the relevant experience and expertise to conduct comprehensive assessment, address the needs of and provide appropriate services for single parent and new arrival families.

16. As such, we consider it unnecessary to establish “one-stop” service centres for low-income families in each district to avoid duplication of resources.

Child Care and After School Care Programme Services

Recommendation (k) – strengthen the child care and after-school care services, extend the service hours and provide fee waivers to low-income households

17. There are a total of 104 subsidised child care centres providing over 1 200 places with extended hours of service across the territory. The Kindergarten and Child Care Centre Fee Remission Scheme provides means-tested subsidy to needy families. Eligible low-income families are also granted full or half fee waiver for services of the After School Care Programme. Single parents on CSSA are also entitled to free after school care services under the New Dawn Project.

18. Child care services with more flexible operating hours are also provided through NGOs, district organisations and women’s groups, including mutual help child care centres, volunteer-operated mutual help after-school care programmes sponsored by the Community Investment and Inclusion Fund, as well as day foster

care and supervised child-minding programmes.

19. Under the School-based After-school Learning and Support Programmes implemented by the Education and Manpower Bureau, schools may run after-school tuition classes of a caring nature for disadvantaged students with school-based grants.

CSSA Scheme

Recommendation (n) – consider increasing the amount of Disregarded Earnings under the CSSA scheme, relaxing the seven-year residence rule for public housing and CSSA payments, and withholding the proposal for single parents on CSSA with youngest children below the age of 12 to participate in the Active Employment Assistance Programme under the Support for Self-reliance Programme

20. The Social Welfare Department is currently undertaking a review of the arrangements for disregarded earnings under the Comprehensive Social Security Assistance (CSSA) Scheme, and will consult the stakeholders on the outcome of the review in 2006/07.

21. While the LegCo has discussed the CSSA Scheme on a number of occasions in the past, we wish to reiterate that the seven-year residence requirement is introduced to ensure that our heavily subsidised social services are provided on a rational basis.

22. The non-contributory CSSA Scheme is funded entirely by general revenue. The Government encourages new arrivals to stand on their own feet as many of them are capable of work. Only in case of genuine need would it be proper to take care of them with public money. The new arrivals, wherever they come from, should be encouraged to plan carefully and ensure that they have sufficient means to be self-supporting before settling in Hong Kong.

23. On the other hand, the Housing Authority (HA) has introduced several relaxations to the residence qualification for applying for public rental housing (PRH) units in the past few years. Households on the waiting list are deemed to have satisfied the residence requirement if half or more of their family members have resided in Hong Kong for seven years. All family members under 18 will also be considered to have met the residence rule as long as one of their parents has resided in Hong Kong for seven years. Starting from 2005, all locally born children under 18 with established permanent resident status, regardless of their length of residence or

their parents' residence status, are considered to have met the seven-year residence rule as well. Such amendments effectively facilitate early access by new-arrival families with children to public housing.

Transportation Subsidy

Recommendation (l) – implement the transport subsidy to low-income employees as soon as possible

24. The Government has been actively encouraging public transport operators to introduce fare reduction or concession as far as possible, having regard to their operating conditions and the socio-economic situation, with a view to reducing the travelling public's transport expenses. In response to Government's encouragement, the public transport operators are now offering about 50 fare concessions of various kinds which help ease the burden on the public in terms of transport cost.

25. Moreover, the CoP is now exploring with the relevant bureaux and departments the feasibility and mechanism of introducing a travel support scheme. We aim to launch a pilot project within 2006/07.

Universal Retirement Scheme

Recommendation (u) – consider providing a universal retirement scheme for all elderly, including home-makers, self-employed and employees with a monthly earning below \$5,000

26. The Government is committed to developing a sustainable financial support system which targets resources at elders most in need. Provision for retirement is achieved through a three-pillar system comprised of financial assistance granted to elders in need under the CSSA Scheme, a mandatory retirement protection plan to provide retirement protection for the workforce, and personal savings by individuals. This model is suitable for Hong Kong. We should treasure our traditional family values and should not shift the entire responsibility of supporting the elderly to society.

Establishment of an intermediary body for the collection of maintenance payments

Recommendation (o) – consider establishing an intermediary body for the collection and enforcement of maintenance payments

27. An inter-departmental working group established under the Home Affairs Bureau on the review of law and administrative measures affecting divorcees and children who are eligible for alimony has carefully considered the proposal to set up an intermediary body for collection of maintenance payments. The inter-departmental working group concluded that it would be more effective to improve the existing system of collecting maintenance payments and enforcing maintenance orders than to establish an intermediary body for collection of maintenance payments. The Administration has no plan to set up such an intermediary body.

Equal Development for Both Sexes

Recommendation (q) – take into account women’s needs and perspectives in the formulation of policies, legislation and funding proposals, and ensure equal opportunities for men and women

Recommendation (r) – increase the rate of women’s participation, particularly those from the grassroots, in government’s advisory and decision-making bodies, to 40%

Recommendation (s) – draw up specific targets and measures for implementing gender mainstreaming, and inform the public regularly of the progress made in reducing gender inequalities and addressing the needs of women

Recommendation (t) – step up public education to eradicate the prejudice concerning women’s abilities, development and participation in the social, economic and political arenas

28. Recommendation items (q) to (t) in the Report concern the issues of gender mainstreaming, higher participation rate of women in Government advisory and decision-making bodies, and more public education to remove prejudice against women. These are in line with the strategies and initiatives that have been undertaken by the WoC for championing women’s cause and interests.

29. Indeed, the Government has all along attached importance to the promotion of gender equality and women's status, and has been working closely with the WoC to advance women's well-being and interests in all aspects. The WoC has also been making active efforts in promoting the Government to take the perspectives and needs of the two genders into account in the formulation of policies and programmes with a view to removing institutional barriers to and providing an enabling environment for women's development. The WoC has also made continuous efforts to empower women and tackle gender prejudices and stereotyping that impede women's development through public education.

30. The initiatives and accomplishments of the Government and WoC in promoting gender equality and in advancing women's status have been reported to the LegCo at various meetings. The Government will continue to render full support to the work of the WoC.

CONCLUSION

31. Poverty among women is an inter-departmental and cross-sectoral matter, which requires detailed study, thorough discussions and joint efforts from all relevant policy bureaux, commissions and different sectors of the community. The Government has an open-mind and take a pragmatic approach in considering the way forward, having due regard to relevant information and statistics, overseas experience and local socio-economic situation. For those issues that are controversial or matters on which a consensus has not been reached among the public, it will be even more crucial to involve more in-depth studies and discussions among all parties concerned.

Economic Development and Labour Bureau

Education and Manpower Bureau

Environment, Transport and Works Bureau

Financial Services and Treasury Bureau

Health, Welfare and Food Bureau

Home Affairs Bureau

Efficiency Unit

Secretariat to the Commission on Poverty

September 2006