

立法會

Legislative Council

LC Paper No. CB(4)664/15-16
(These minutes have been seen
by the Administration)

Ref : CB4/PL/PS

Panel on Public Service

**Minutes of policy briefing cum meeting held on
Monday, 18 January 2016, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon POON Siu-ping, BBS, MH (Chairman)
Hon WONG Kwok-hing, BBS, MH (Deputy Chairman)
Hon LEE Cheuk-yan
Dr Hon LEUNG Ka-lau
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon LEUNG Kwok-hung
Hon Claudia MO
Hon KWOK Wai-keung
Hon IP Kin-yuen
Hon TANG Ka-piu, JP
Dr Hon CHIANG Lai-wan, JP
Hon Tony TSE Wai-chuen, BBS

Member absent : Hon Emily LAU Wai-hing, JP

**Public officers
attending** : Item III

Mr Clement CHEUNG, JP
Secretary for the Civil Service

Mr Thomas CHOW, JP
Permanent Secretary for the Civil Service

Mr Eddie MAK, JP
Deputy Secretary for the Civil Service 1

Ms May CHAN,JP
Deputy Secretary for the Civil Service 2

Ms Vivian SUM, JP
Deputy Secretary for the Civil Service 3

Mr Peter CHAN, JP
Director of General Grades
Civil Service Bureau

Item IV

Mrs Helen CHAN, JP
Government Economist

Mr Andrew AU, JP
Principal Economist(1)
Economic Analysis and Business Facilitation
Unit, Financial Secretary's Office

Ms Reddy NG, JP
Principal Economist(5)
Economic Analysis and Business Facilitation
Unit, Financial Secretary's Office

Item V

Ms Kitty CHOI, JP
Director of Administration

Mrs Helen CHAN, JP
Government Economist

Mr Andrew AU, JP
Principal Economist(1)
Economic Analysis and Business Facilitation
Unit, Financial Secretary's Office

Ms Reddy NG, JP
Principal Economist(5)
Economic Analysis and Business Facilitation
Unit, Financial Secretary's Office

Clerk in attendance : Mr Joey LO
Senior Council Secretary (4)2

Staff in attendance : Ms Anki NG
Council Secretary (4)3

Miss Vivian YUEN
Legislative Assistant (4)2

Action

I. Information paper(s) issued since the last meeting

There was no information paper issued since the last meeting.

II. Items for discussion at the next meeting

LC Paper No. CB(4)468/15-16(01) — List of outstanding
items for discussion

LC Paper No. CB(4)468/15-16(02) — List of follow-up
actions

2. Members agreed to discuss the following items proposed by the Administration at the next regular meeting scheduled for 15 February 2016 at 10:45 am:

- (a) Use of agency workers; and
- (b) An overview of medical and dental benefits for civil servants, pensioners and eligible dependants

III. Briefing by the Secretary for the Civil Service on the policy initiatives of Civil Service Bureau featured in the 2016 Policy Address

LC Paper No. CB(4)468/15-16(03) -- Paper provided by the Administration

Briefing by the Administration

3. Secretary for the Civil Service ("SCS") briefed members on the policy initiatives relating to the Civil Service Bureau ("CSB") featured in the 2016 Policy Address and/or the Policy Agenda, details of which were set out in the CSB's paper (LC Paper No. CB(4)468/15-16(03)).

Discussion

Civil service establishment

4. Mr WONG Kwok-hing noted from paragraph 7 of the CSB's paper that the projected establishment of the civil service as at 31 March 2016 as shown in the 2015-2016 Estimates was 176 448, up by about 1.5% as compared with the preceding financial year. A further increase in the establishment of the civil service was expected in 2016-2017. In the light of this, Mr WONG enquired whether the increase in civil service establishment in the next financial year would include replacement of non-civil service contract ("NCSC") positions with civil service posts, and if so, the number involved.

5. SCS responded that CSB planned to brief members on the civil service-related issues featured in the 2016-2017 Budget in March 2016, which would also include the number of NCSC positions planned for replacement by civil service posts in 2016-2017. Whilst expecting that a number of civil service posts would be created for replacing NCSC positions, SCS added that, as he explained to the Panel in November 2015, some NCSC staff had been engaged for over five years due to various reasons, e.g. the mode of service delivery concerned was under review, etc.

6. Noting the Financial Secretary ("FS")'s request for bureaux/departments ("B/Ds") to deliver 1% savings on their respective annual operating expenditure in 2016-2017 and 2017-2018, Mr LEE Cheuk-yan asked whether this would mean that there would be very minimal growth in civil service establishment in the coming two years.

7. SCS responded that as he had explained before, the objective of the 0-1-1 exercise was to ensure the sustainability of public finance and to re-allocate resources for new public services. Under the aforesaid exercise, whilst B/Ds should strive to introduce efficiency measures through re-engineering and re-prioritizing, new posts could still be created for delivering new or improved services where justified.

8. Mr Tony TSE hoped that apart from meeting new/improved services, due consideration would also be given to the additional workload of civil servants brought about by rising public expectation in the creation of new civil service posts.

9. SCS responded that new civil service posts would be created where justified for delivering effective services to the public. That said, the Administration hoped that through internal redeployment, streamlining and re-engineering, more efficient use of manpower could be achieved.

10. Mr Tony TSE said that some civil servants complained that the ratios of non-directorate staff to directorate staff of certain grades were not reasonably proportionate in that the number of non-directorate staff far outnumbered that of the directorate staff or the ratio of directorate staff to non-directorate staff was disproportionately high.

11. SCS responded that some junior civil servants had expressed reservation against "fattening the top at the expense of the bottom" in establishment growth but that the ratio of non-directorate staff to directorate staff was based on the operational requirements.

12. Mrs Regina IP noted from the 2016 Policy Address that a Belt and Road Office and two Economic and Trade Offices ("ETOs") in Indonesia and Korea would be set up. Mrs IP enquired about the ranking of the directorate staff who would head these offices and whether such new directorate posts would be created within the current term of Government.

13. SCS responded that the Administration was taking forward the setting up of Belt and Road Office and ETOs in Indonesia and Korea, as the Administration hoped to have these offices commence operation in the coming year. On the ranking of the staff who would head these new offices, SCS said that the Administration would report to members later.

Medical and dental benefits for civil service eligible persons ("CSEPs")

14. Mr WONG Kwok-hing noted that the Administration planned to enhance civil service medical benefits for CSEPs, i.e. civil servants, pensioners and their eligible dependants by setting up the fifth Families Clinic in Fanling and the sixth Families Clinic in Sai Kung. Mr WONG sought information on the increase in the overall service capacity of families clinics brought about by the aforesaid two new Families Clinics.

15. SCS responded that the total number of consultation rooms in all families clinics would increase from the existing 32 to 44 after the service commencement of the Families Clinic in Fanling in early 2016 and the Families Clinic in Sai Kung in 2018-2019 with 10 and two consultation rooms respectively. SCS further said that the scale of the Families Clinic in Sai Kung was much smaller than that of the Families Clinic in Fanling due to the site constraint. The Administration however would not rule out relocating/expanding the sixth Families Clinic in Sai Kung, if a larger site in the New Territories East region suitable for operating a clinic could be identified later. SCS pointed out that apart from increasing the overall service capacity of families clinics, the reason for setting up a Families Clinic in Sai Kung was to improve the geographical coverage of families clinics to better serve the needs of CSEPs. Currently, two families clinics were on Hong Kong Island in Chai Wan and Wan Chai and one each in Kowloon City and Tsuen Wan respectively.

16. Dr CHIANG Lai-wan noted from paragraph 3 of the CSB's paper that in 2016-2017, the Administration would take forward the preparatory work for setting up seven specialized dental surgeries dedicated for providing prosthodontic services to CSEPs. Dr CHIANG asked what these services were and when would such services come into operation.

17. SCS responded that the seven specialized dental surgeries were intended to provide specialized dental care, such as restoration of the teeth, for CSEPs on referrals from the general dental surgeries, so as to better cope with the heavy demand for prosthodontic services from CSEPs. Upon the full operation of these seven specialized dental surgeries which was expected to be in 2018, the average waiting time for receiving prosthodontic services should reduce from the existing 26 to 42 months to 20 to 30 months. SCS further said that CSB planned to brief members on the details of the implementation of the seven specialized dental surgeries at the next Panel meeting in February 2016.

Civil service pay

18. Mr LEE Cheuk-yan said that if the Government's civil service pay policy was to maintain broad comparability between civil service pay and private sector pay so as to attract and retain civil servants of suitable calibre, the Government should discontinue the practice of deducting payroll cost of increments ("PCIs") from the gross pay trend indicator ("PTI") in adjusting the pay of those civil servants who had reached the maximum pay points of their ranks.

19. SCS responded that the Government had no plan to change the existing practice of using the net PTIs as one of the factors in deciding the annual civil service pay adjustment. SCS explained that the practice of deduction of PCIs was a key component of the pay adjustment mechanism and had been implemented on the recommendation of the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters ("the 1988 Committee of Inquiry") together with the inclusion of private sector in-scale increment and merit pay in the computation of the gross PTIs. The 1988 Committee of Inquiry took the view that, if private sector in-scale increment and merit pay were to be included in the PTIs, the PCIs should be deducted as a balancing factor. If the practice of deduction of PCIs were to be ceased, the established arrangement of including the private sector merit pay and in-scale increment in the PTIs might also need to be changed. SCS further said that civil servants who had reached the maximum pay points had benefited and would continue to benefit from such an arrangement.

Provision of training and development for civil servants

20. As Hong Kong could make the most of its advantages under the Belt and Road Initiative, Dr CHIANG Lai-wan asked whether CSB would provide training to equip civil servants with knowledge and understanding on the initiative.

21. SCS responded that it would be one of the focuses of training in the year to equip civil servants with knowledge and understanding on the Belt and Road Initiative, in particular, to those civil servants whose main duties were to promote Hong Kong and to liaise with other regions outside Hong Kong in different areas of work related to the Belt and Road Initiative.

Extension of service of civil servants

22. Mrs Regina IP asked whether the Administration would re-consider giving civil servants, who were appointed on or after 1 June 2000 but before 1 June 2015, the option to extend their service beyond retirement age for up to five years, as these civil servants were on New Permanent Terms of appointment (i.e. on the Civil Service Provident Fund Scheme) as in the case of the new civil service recruits appointed on or after 1 June 2015.

23. SCS responded that whilst there was a clear case to raise the retirement age of new recruits given the latest population forecasts, the considerations for serving civil servants appointed before 1 June 2015 were more complicated, especially where there would be no anticipated significant succession or recruitment problems across-the-board over the coming decade or so. Adjusting the mechanism on further employment of civil servants beyond retirement age would give a scalable solution for B/Ds to retain experienced civil servants beyond retirement age having regard to the changing manpower/succession needs of individual grades from time to time, while addressing the aspirations of different cohorts of civil servants. The Government had briefed civil service staff associations on the relevant policy objectives of the initiatives of extending the service of civil servants.

24. Mrs Regina IP sought information on the number of retired civil servants who were employed by B/Ds on contract terms under the Post-retirement Service Contract ("PRSC") Scheme.

25. SCS replied that as the PRSC Scheme was only introduced in November 2015, CSB did not have the information for the time being. SCS further said that he would be happy to provide the information when it became available.

26. As the new retirement age only applied to new recruits appointed to the civil service on or after 1 June 2015, Mr KWOK Wai-keung expressed concern that such an initiative would not be able to cope with the higher wastage rate in the civil service in the coming years due to the expansion of the civil service in the 1980s.

27. SCS responded that raising the retirement age of civil service new recruits was one of the initiatives for extending the service of civil servants with a view to providing a long-term solution to address the demographic challenges arising from the ageing population ahead.

Although the projected wastage rate of the civil service arising from retirement would rise in the coming decade, it would drop steadily thereafter. To better address such cyclical movements, flexible human resource tools, including the PRSC Scheme and the adjusted further employment mechanism, were needed to allow Heads of Department/Heads of Grade (“HoDs/HoGs”) to address the changing manpower/succession needs of individual grades from time to time.

28. On Mr Tony TSE's enquiry as to whether implementing the adjusted further employment mechanism by the first quarter of 2016 was still the Administration's target, SCS replied in the affirmative.

Working conditions of civil servants

29. Mr Tony TSE said that many government offices housed in old buildings lacked modern amenities, such as central air-conditioning, and leakage of water from the window sills and ceilings were not uncommon. He urged the Administration to improve the working conditions of civil servants working in these premises.

30. SCS responded that the Administration attached great importance to providing good working conditions for civil servants. In his visits to B/Ds, he observed that some government departments chose to stay at the same premises to avoid their offices from spreading out in different locations, whilst others were awaiting confirmation of removal plans. SCS further said that CSB would closely monitor the plans of B/Ds to improve the working conditions of their respective staff and the progress of the implementation of these improvement plans.

Paternity leave

31. Mr WONG Kwok-hing enquired about the number of government employees, including NCSC staff, who had taken paternity leave since the initiative was implemented on 1 April 2012.

32. SCS replied that over 10 000 government employees had taken paternity leave from 1 April 2012 up to 30 September 2015.

33. At the request of Dr CHIANG Lai-wan, SCS undertook to provide information on the number of maternity leave applications from government employees approved during the period from 1 April 2012 to 30 September 2015.

34. Mr KWOK Wai-keung enquired about whether the Government, as the largest employer in Hong Kong, would conduct a review on the feasibility of increasing the provision of full-pay paternity leave to eligible government employees from the existing five working days to seven working days.

35. SCS responded that the Administration would continue to ensure that the fringe benefits provided to civil servants were adequate to attract and retain suitable talents. In respect of the provision of paternity leave in the civil service, the Administration would closely monitor the granting of paternity leave in the private sector, the views of civil servants and other factors, such as affordability of the Government, before deciding on whether to not to increase the duration of paternity leave.

Employment of persons with disabilities ("PWDs") in the civil service

36. Whilst noting that the Administration would not set a quota for employing PWDs in the civil service, Mr KWOK Wai-keung asked whether, and if so, the measures that would be taken by the Administration to better facilitate PWDs to join the civil service.

37. SCS responded that as revealed by overseas experience, a mandatory employment quota had not been proven successful in promoting the employment of PWDs. The prevailing trend was moving towards anti-discrimination legislation, enhanced support measures and promotion of equal opportunities for PWDs. Therefore, the Administration had implemented suitable facilitating measures to ensure that applicants with disabilities could compete with able-bodied applicants on an equal footing. On the other end, CSB had been organizing regular briefing-cum-sharing sessions for human resource managers in all B/Ds to refresh their understanding of the prevailing policy and guidelines, and to share with them practical tips on how to facilitate the conduct of recruitment exercises involving applicants with disabilities and integration of officers with disabilities into the workplace. SCS further said that CSB planned to update members on the implementation of the policy and relevant measures to facilitate the employment of persons with disabilities in the civil service in the second quarter of 2016.

Employment of ethnic minorities in the civil service

38. Dr CHIANG Lai-wan asked whether the Administration had information on the number of ethnic minorities who had applied for civil service jobs in the past several years and the success rates.

39. SCS replied that the Administration did not have information on the ethnic origins of job applicants as they were not required to provide such information in their applications. SCS further said that all candidates in an open recruitment exercise were assessed on the basis of their ability, performance and character, and having regard to the stipulated entry requirements set according to the job requirements of the grade concerned. Race was not a relevant consideration in the recruitment selection process.

40. Dr CHIANG Lai-wan said that Security Bureau should be encouraged to employ more ethnic minorities to deal with the over 10 000 claims for non-refoulement by persons resisting removal to another country.

41. Mr LEE Cheuk-yan also said that to facilitate non-ethnic Chinese candidates in applying for civil service jobs, B/Ds should, where practicable, lower the Chinese language requirement of certain civil service posts to the effect that candidates were only required to be able to communicate in Chinese and awarding extra marks to the job applicants who possessed proven foreign language skills in the selection process.

42. SCS responded that HoDs/HoGs were responsible for stipulating the appropriate English and Chinese language proficiency requirements ("LPRs") for their respective grades and reviewing the LPRs from time to time taking into account changing operational needs. In this regard, HoDs/HoGs had made continuous efforts to review and where appropriate, suitably adjust the LPRs if operational needs of the grades so justified. SCS further said that CSB planned to update members on the implementation of the measures to facilitate the employment of ethnic minorities in the civil service in the second quarter of 2016.

Offsetting of severance payments and long service payments with accrued benefits derived from an employer's contributions made to Mandatory Provident Fund ("MPF") schemes

43. Mr KWOK Wai-keung urged the Government to take the lead in abolishing the arrangement of using accrued benefits derived from an

employer's contributions made to a MPF scheme for an employee to offset the severance payment or long service payment payable to that employee under the Employment Ordinance (Cap. 57), as the offsetting arrangement undermined the interests of employees and deprived them of retirement protection.

44. SCS responded that as explained to members in the November 2015 meeting, there was still no consensus in the community on the proposed abolition of the offsetting arrangement. The public consultation on retirement protection conducted at the end of last year had also covered this issue. CSB would be happy to take follow-up action under its purview once a policy blueprint was mapped out on this subject.

SCS's Commendation Award Scheme

45. Dr CHIANG Lai-wan asked about the rationale for increasing the number of awards under the SCS's Commendation Award Scheme from around 80 in 2015-2016 to 100 from 2016-2017 onwards.

46. SCS responded that increasing the number of awards under the SCS's Commendation Award Scheme by 25% was a management decision. As to why the number of awards was set at about 80 in the first place might be due to the fact that there were some 70 B/Ds in 2004 when the Scheme was introduced. SCS further said that other commendation schemes were in place to motivate and sustain exemplary performance of civil servants, including the Long and Meritorious Service Travel Award Scheme where all local non-directorate officers with a continuous service of 20 years or more, who had track records of consistently very good performance and had not received any Government travel award before, were eligible for consideration. The number of awards under this scheme for each year was determined based on a ratio which had been adjusted recently from one award for every 30 officers meeting the service requirement (1:30) to 1:27 in 2014-2015. As a result, the number of awards per year was increased by 10% and there was a total of about 2 440 awards in 2015-16.

47. Dr CHIANG Lai-wan urged the Administration to consider further increasing the number of awards under the SCS's Commendation Award Scheme in 2017-2018, having regard to the fact that there were at present over 170 000 civil servants.

48. SCS responded that setting the number of target awards under the SCS's Commendation Award Scheme as a certain percentage of the total

number of civil servants might compromise the prevailing standard for receiving an award whereby a recipient should have attained outstanding performance for at least five consecutive years. To date, the award recipients had on average about 30 years of service.

IV. Extension of a Supernumerary Principal Economist Post in the Economic Analysis and Business Facilitation Unit, Financial Secretary's Office

LC Paper No. CB(4)468/15-16(04) -- Administration's paper on "Extension of One Supernumerary Principal Economist Post in the Economic Analysis and Business Facilitation Unit, Financial Secretary's Office"

Briefing by the Administration

49. Government Economist ("G Econ") briefed members on the proposal to extend one supernumerary Principal Economist ("Pr Econ") (D2) post in the Economic Analysis and Business Facilitation Unit ("EABFU") under the FS's Office ("FSO") for a period of three years from 1 April 2016 or with immediate effect upon approval of the Finance Committee of LegCo ("FC"), whichever was the later, to provide the necessary support at the directorate level in enhancing the economic analytical capacity in the policy areas of population, poverty and welfare, details of which were set out in the Administration's paper (LC Paper No. CB(4)468/15-16(04)). Subject to members' views, the Administration would seek the recommendation of the Establishment Subcommittee ("ESC") and approval from FC accordingly.

Discussion

50. Mr KWOK Wai-keung expressed support for the proposal to extend the supernumerary Pr Econ (D2) post in the Economic Analysis Division ("EAD") of EABFU for three years. Noting that the key responsibilities of Section V of EAD were to enhance the economic analytical capacity in the policy areas of population, poverty and welfare, Mr KWOK asked whether Section V headed by Pr Econ (5), which was the supernumerary post under the present proposal of extension, would

carry out research and analyses on the "offsetting" arrangement of the MPF System which was one of the issues covered in the public consultation on retirement protection launched by the Commission on Poverty ("CoP") on 22 December 2015.

51. G Econ responded that as mentioned by the Chief Secretary for Administration at the special meeting of the House Committee on 8 January 2016, CoP would not rule out conducting studies on the impact of abolishing or changing the existing "offsetting" arrangement of the MPF System on employer groups, especially the small and medium enterprises, after studying all the comments received from the six-month public consultation exercise on retirement protection which would end on 21 June 2016. Should CoP decide that studies on abolishing or changing the existing "offsetting" arrangement of the MPF System should be carried out, EAD would provide the necessary support.

52. Dr CHIANG Lai-wan said that she supported the staffing proposal. Dr CHIANG further said that to better assist youngsters to plan their career paths after graduating from secondary schools, it would be useful if EAD conducted analysis on the economic situation of Hong Kong and the manpower needs of different industries in Hong Kong for the next few years.

53. G Econ responded that projections on the Hong Kong economy over the short, medium and long term were indeed produced by EABFU. Similar to the practice of many overseas jurisdictions, the official forecasts on Hong Kong's growth trend were not broken down by individual economic sectors. Nonetheless, analyses on the economic contribution and employment situation in respect of selected industries, including the four pillar industries in Hong Kong, namely trading and logistics, tourism, business and professional services and financial services, were available. G Econ further said that EABFU had collaborated with the Labour and Welfare Bureau ("LWB") on the preparation of the manpower projection of Hong Kong from 2012 to 2022. It was projected that the fastest growing economic sectors in terms of manpower requirements during the period from 2012 to 2022 would be financial service, professional and business services, information and communications, and construction.

54. Mr LEE Cheuk-yan said that some Members were unconvinced of the validity of certain assumptions used by EABFU in conducting economic analyses for B/Ds in the latter's policy formulation process. The assumptions used by EAD in providing economic analysis on the

possible impact of introducing a standard working hours ("SWH") policy in Hong Kong for the Labour Department was a case in point. Mr LEE hoped that EAD would in future explain to Members, either at a meeting of the relevant Panel or privately, the assumptions they used in their economic analysis for supporting certain policy studies.

55. G Econ responded that all the assumptions used by EAD in their economic analyses were based on objective data with a sound basis. In the case of providing economic analysis for the policy study on SWH, the assumptions as well as the methodology adopted by EAD were thoroughly examined and vetted by renowned economists from the academia who sat on the Standard Working Hours Committee. G Econ further said that EABFU would be happy to conduct technical briefing to Members on the technical details and other related aspects of economic analysis where warranted.

56. Whilst expressing support for the staffing proposal, Mr Tony TSE asked why the supernumerary Pr Econ post was not converted into a permanent post in view of the continued need in providing economic assessments for B/Ds in the policy areas of population, poverty and welfare.

57. G Econ explained that the Administration would review nearer the end of the three-year term of this supernumerary post, if approved by FC, whether there was justification to apply for the creation of a permanent Pr Econ post.

Conclusion

58. The Chairman concluded that members generally supported the staffing proposal.

V. Upgrading of the Government Economist Post and Creation of a Deputy Government Economist Post in the Economic Analysis and Business Facilitation Unit, Financial Secretary's Office

LC Paper No. CB(4)468/15-16(05) -- Administration's paper on "Upgrading of the Government Economist Post and Creation of a Deputy Government

Economist Post in the
Economic Analysis and
Business Facilitation
Unit, Financial
Secretary's Office"

Briefing by the Administration

59. Director of Administration ("D of Admin") briefed members on the proposed upgrading of the permanent post of G Econ from the existing D4 to D5 rank and creation of a new rank and permanent post of Deputy G Econ (D3) in the EABFU under the FSO, details of which were set out in the Administration's paper (LC Paper No. CB(4)468/15-16(05)). Subject to members' views, the Administration would seek the recommendation of ESC and approval from FC accordingly.

Discussion

60. Dr CHIANG Lai-wan asked whether EABFU would conduct a projection on the manpower demand of different industries/sectors in Hong Kong, as EABFU already possessed information on manpower projection and economic data.

61. G Econ responded that, as a new initiative from the 2015 Policy Address to attract quality people in a more focused manner to promote Hong Kong's development into a diversified and high value-added economy, EABFU had been rendering technical support and macroeconomic advice to LWB in drawing up a talent list, which would cover the more specific manpower requirements of different high value-added and/or fast growing industries. G Econ further said that different B/Ds had also from time to time carried out more in-depth studies on the manpower situation of sectors under their purview. As an illustration, the Financial Services and the Treasury Bureau had conducted studies on the manpower demand of various segments of the financial services industry.

62. Dr CHIANG Lai-wan also suggested that EABFU should carry out more economic analyses of different industries in Hong Kong, such as the contributions of different industries to Hong Kong's Gross Domestic Product, so as to better assist and support B/Ds in their policy formulation process.

63. G Econ agreed that there was a need to strengthen economic analyses of different industries in Hong Kong. EABFU would liaise with the Census and Statistics Department ("C&SD") on how best to compile more comprehensive economic analyses of different industries in Hong Kong, and disseminate such analyses with higher frequency updates.

(Mr LEE Cheuk-yan drew the Chairman's attention at this juncture to the fact that a quorum was not present. The Chairman directed that members be summoned. The meeting resumed after five minutes when a quorum was present.)

64. Mr LEE Cheuk-yan queried whether the creation of a new rank and permanent post of Deputy G Econ (D3) was to create a new promotional rank for the Pr Econ post. Mr LEE was of the view that the heavy workload of G Econ could be shared amongst the existing five Pr Econs.

65. G Econ responded as follows:

- (a) there was a genuine and pressing need for the creation of a new rank and permanent post of Deputy G Econ (D3) to share the extensive scope of work currently shouldered by G Econ and attend some of the numerous meetings requiring high-level representation from EABFU. In respect of the latter, G Econ currently needed to attend 14 high-level committees (Annex A to the Administration's paper) either as an appointed member or as member of the research team and the total number of these meetings averaged about 70 per year over the past three years or so; and
- (b) there was also a genuine and pressing need to strengthen the capacity of EAD at the directorate level, so as to enable G Econ to focus on the most crucial issues in support of the senior Government officials. The ratio of directorate posts to non-directorate posts was 1:3.5 when the EABFU was established in 2004. This ratio had to date increased to around 1:8.

66. Mr TANG Ka-piu expressed support for the creation of a new rank and permanent post of Deputy G Econ (D3). Mr TANG then asked whether EABFU would conduct the following:

- (a) reviewing the setting of poverty line, which at present was defined to be 50% of median monthly household income before tax and welfare transfers, to include household expenditure;
- (b) analyzing the economic impact of abolishing the MPF offsetting arrangement; and
- (c) analyzing the economic impact of providing all employees with 17 statutory holidays.

67. G Econ responded as follows:

- (a) EABFU would undertake a comprehensive review on the poverty line framework in 2016. Amongst other things, this would include a detailed study of the expenditure patterns of different types of households after C&SD's release of the results of the five-yearly household expenditure survey later this year. These analyses would be useful for exploring the feasibility of enhancing the poverty line framework, particularly regarding how housing expenditures could be taken into consideration;
- (b) subject to the deliberations of the CoP after the end of public consultation on retirement protection, if it were deemed necessary to conduct an economic impact study on abolishing the MPF offsetting arrangement, EABFU would provide the necessary technical support to CoP for such study to take forward; and
- (c) EABFU's inputs on the economic impact of providing all employees with 17 statutory holidays had previously been rendered to the relevant department. She understood that EABFU's technical inputs, which formed part of the Administration's overall policy assessment, were subsequently deliberated at the Labour Advisory Board.

68. Mr TANG Ka-piu said that the economic analysis on providing all employees with 17 statutory holidays conducted by EABFU was too one-sided in that the analysis only focused on the impact on employers, and did not take into account the benefits to employees and the

consequential increase in retail spending. G Econ took note of TANG's views.

Conclusion

69. The Chairman concluded that members generally supported the staffing proposals, with the exception of Mr LEE Cheuk-yan who had reservation about the creation of a new rank and permanent post of Deputy G Econ (D3).

VI. Any other business

70. There being no other business, the meeting ended at 12:44 pm.

Council Business Division 4
Legislative Council Secretariat
2 March 2016