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Establishment Subcommittee of the Finance Committee

Minutes of the 11th meeting
held in Conference Room 2 of Legislative Council Complex
on Monday, 25 March 2019, at 2:30 pm

Members present:

Hon Mrs Regina IP LAU Suk-ye, GBS, JP (Chairman)
Hon Holden CHOW Ho-ding (Deputy Chairman)
Hon James TO Kun-sun
Hon WONG Ting-kwong, GBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Steven HO Chun-yin, BBS
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon CHAN Chi-chuen
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon CHU Hoi-dick
Hon HO Kai-ming
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN

Hon CHAN Chun-ying, JP
Hon Jeremy TAM Man-ho
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon CHUNG Kwok-pan

Public Officers attending:

Ms Kinnie WONG Kit-yee	Deputy Secretary for Financial Services and the Treasury (Treasury) 1 (Acting)
Mr Brian LO Sai-hung, JP	Deputy Secretary for the Civil Service 1
Mr Andrew AU Sik-hung, JP	Government Economist Financial Secretary's Office
Ms Reddy NG Wai-lan, JP	Principal Economist (5) Financial Secretary's Office
Mr Desmond HOU Ka-chun	Principal Economist (4) Financial Secretary's Office

Clerk in attendance:

Ms Connie SZETO	Chief Council Secretary (1)4
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Staff in attendance:

Miss Sharon LO	Senior Council Secretary (1)9
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Miss Yannes HO	Legislative Assistant (1)7
Ms Haley CHEUNG	Legislative Assistant (1)10

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The Chairman drew members' attention to the information paper ECI(2018-19)15, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the two items on the agenda. She then

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reminded members that, in accordance with Rule 83A of the Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to the item under discussion at the meeting before they spoke on the item. She also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

EC(2018-19)28 Proposed making permanent of one Principal Economist (D2) supernumerary post in the Office of the Government Economist under the Financial Secretary's Office with effect from 13 May 2019 or with immediate effect upon approval by the Finance Committee, whichever is later to continue to conduct economic analyses and researches in areas of poverty, welfare and population

2. The Chairman remarked that the staffing proposal was to make permanent one Principal Economist ("Pr Econ") (D2) supernumerary post in the Office of the Government Economist ("OGE") under the Financial Secretary's Office with effect from 13 May 2019 or with immediate effect upon approval by the Finance Committee, whichever was later, to continue to conduct economic analyses and researches in areas of poverty, welfare and population.

3. The Chairman pointed out that the Administration consulted the Panel on Public Service on the staffing proposal on 17 December 2018. The Panel supported in principle the Administration's submission of the proposal to the Establishment Subcommittee ("ESC") for consideration. Some members pointed out that while the Administration had devoted substantial resources to analyses and researches in the area of poverty alleviation, there had been no significant improvement in Hong Kong's poverty situation. They were concerned about whether the Administration would set a long-term direction or target for poverty alleviation policies and measures. The Administration explained that the work to be spearheaded by the aforesaid post was to provide economic analyses for supporting the Government's policy deliberations on poverty, welfare and population issues; the overall policy target and direction would be determined by the relevant policy bureaux. That said, the poverty line analysis conducted by OGE could show whether there was any improvement in the poverty rate after the intervention of the Government's poverty alleviation policies. Besides, some members were also concerned about whether the work of Section V of OGE to be headed by the aforesaid post would overlap with that of another section responsible for analysing manpower resources, and whether the post would provide the Government with strategic inputs on the proposal to introduce a universal retirement

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protection ("URP") scheme. The Administration advised that Section V was responsible for population projections and labour force projections, and its work would be complemented by that of another section. Moreover, Section V would also conduct scenario analyses for the URP scheme, and make projections of the costs and benefits of the scheme as well as the Government's financial commitments.

Analyses and researches on population ageing

4. Mr CHAN Chi-chuen said that he did not support the staffing proposal. In his view, the purpose of the economic analyses conducted by Section V under the leadership of a Pr Econ was to gather information and concoct reasons to justify the Government's plans to cut welfare spending and force the elderly to return to the labour market. He criticized the researches conducted by Section V for only focusing on the possible burden of population ageing on society and the economy without regard to the situations and needs of the elderly. He asked whether Section V had conducted any policy research, and provided relevant justifications, for the Government's proposal to raise the eligible age for elderly Comprehensive Social Security Assistance ("elderly CSSA") from 60 to 65.

5. The Government Economist of the Financial Secretary's Office ("G Econ") advised that the work portfolio of Section V was multifaceted, covering the areas of poverty, welfare and population. The researches and analyses conducted by Section V had always been based on statistics, and their purpose was not to provide justifications for the Government's plans to cut welfare spending. In fact, the past analytical work of Section V had provided reference for the Government in its consideration of introducing or enhancing welfare measures, such as introducing the Low-income Working Family Allowance ("LIFA") Scheme in 2016, and enhancing the Old Age Living Allowance ("OALA") in both 2017 and 2018. He pointed out that as Hong Kong and other advanced economies were facing the problem of population ageing, which posed long-term challenges to economic growth potential and manpower resources, Section V had to continuously provide support in the form of in-depth researches and assessments on the potential impact of population ageing on the economy. He added that with rising life expectancy, some people might extend their working lives accordingly to meet the demand in the labour market.

6. As regards the Government's adjustment to the eligible age for elderly CSSA, G Econ and Principal Economist (5) of the Financial Secretary's Office ("Pr Econ (5))" responded that OGE had not been involved in the relevant policy discussions. Besides, the policy of raising the eligible age for elderly CSSA from 60 to 65 only affected those who, after the policy took effect, would be aged between 60 and 64 applying for

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elderly CSSA. Given the lack of empirical data, OGE had not conducted any relevant analysis for the Government. In response to Mr CHAN Chi-chuen's further enquiry, G Econ said that Section V would conduct economic analyses and researches on population ageing having regard to the needs of the relevant policy bureaux.

7. Mr WU Chi-wai enquired about the contents of the analyses and researches on population issues conducted by Section V. He expressed concern that researches on population ageing only conducted by Section V focused on the possible burden brought by the elderly on society and the economy, and asked whether such researches would cover other social elements (e.g. health indicators for the elderly).

8. G Econ advised that Section V had been monitoring from time to time the latest demographic trends both locally and internationally, was heavily involved in the population projection and labour force projection exercises conducted by the Census and Statistics Department ("C&SD"), and had recently published the findings of a research on the population ageing trend in Hong Kong. As to whether such researches would incorporate other social elements, it depended on whether relevant data were available.

9. Mr Tony TSE expressed support for the staffing proposal. He enquired whether Section V would follow up on the effectiveness of the policy measures introduced by various policy bureaux/departments in the light of the relevant researches and analyses, and whether the analyses and researches on population ageing would cover the implications for welfare policies and social resources (e.g. land and housing). He also enquired why the Steering Committee on Population Policy had not provided any information update since March 2015.

10. G Econ responded that the Steering Committee on Population Policy had been revamped as the Human Resources Planning Commission chaired by the Chief Secretary for Administration. Both the Human Resources Planning Commission and the Commission on Poverty ("CoP") would discuss the impact of population ageing on society. Regarding the effectiveness of policy measures, Pr Econ (5) cited an example, saying that the analysis in the Hong Kong Poverty Situation Report 2012 identified "working poor households" as a group that warranted priority attention. Subsequently, Section V assisted the Labour and Welfare Bureau ("LWB") to conduct relevant policy researches, and the Government introduced the LIFA Scheme in 2016. Also, in 2017, Section V conducted scenario tests in the Government's comprehensive review of the LIFA Scheme with a view to providing analytical data for LWB's reference. Later, in 2018, the Government introduced a series of measures to enhance LIFA and renamed

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it the Working Family Allowance ("WFA").

Analyses and researches in the area of poverty alleviation

11. The Chairman said that the Government's failure to reduce the poor population despite its introduction of various poverty alleviation measures was possibly due to its adoption of "relative poverty" for defining poverty. She asked why the Administration had adopted "relative poverty" instead of "absolute poverty", which was the definition adopted by the United States and China, and whether consideration would be given to adopting other definitions of poverty including "absolute poverty". She also requested the Government to explain the causes of poverty in Hong Kong, as well as its measures including economic policies (such as assisting small and medium enterprises), to ameliorate the poverty situation in Hong Kong. She suggested that apart from conducting poverty-related analyses, the Administration should also study the causes of the widening wealth gap.

12. G Econ pointed out that the adoption of the "relative poverty" definition was a decision of the first-term CoP, and this definition had also been adopted by the Organisation for Economic Co-operation and Development ("OECD") and the European Union. The Government understood that the adoption of the "relative poverty" definition proposed by CoP was subject to certain constraints, especially because this definition took into account only household incomes but not household assets. The poverty situation of the elderly might be overstated, as most elderly people were retirees who had no employment earnings and those being "asset-rich, income-poor" might be classified as poor. In fact, in 2017, some 290 000 elders residing in non-CSSA households were classified as poor, but 80% of them did not have financial needs. Therefore, it was necessary to conduct a multidimensional and in-depth analysis of the poverty situation. In view of this, Section V had analysed from various perspectives a series of poverty issues, particularly the poverty situation of the elderly, and published its findings by way of feature articles in the annual poverty situation reports. With respect to ameliorating the poverty situation, G Econ advised that the current welfare measures of the Government were fairly effective in terms of poverty alleviation. For instance, according to the analysis in a Hong Kong Poverty Situation Report, the poverty rate in 2017 had dropped from 20.1% to 14.7% after the Government's recurrent cash policy intervention; and had even fallen further to 10.5% after the Government's in-kind benefits (mainly comprising public rental housing) were taken into account as well. He agreed that in the long run, apart from using income redistribution methods such as welfare measures, developing the economy to provide better job opportunities and introducing policies in areas such as education would be conducive to alleviating the poverty problem. He added that due to insufficient data, it was difficult to

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conduct a research on the wealth gap.

13. The Chairman enquired which of the member countries of OECD could truly achieve eradication of poverty. G Econ responded that the poverty rates in the member countries of OECD remained at certain levels even after the intervention of the poverty alleviation policies introduced by their respective governments.

14. Dr KWOK Ka-ki pointed out that an earlier study on Hong Kong's retirement protection system conducted by Professor Nelson CHOW as commissioned by the Government had recommended that the Government should implement URP to resolve the poverty problem in the long run and avoid any serious fiscal deficit in the future. He enquired about the Administration's rationale for not taking on board Professor CHOW's recommendation, and how making permanent the Pr Econ post could effectively resolve the poverty problem. In addition, pointing out that the member countries of OECD generally had a poor population of less than 10%, he requested the Government to state its poverty alleviation target.

15. G Econ reiterated that Pr Econ needed to lead Section V in providing professional support for reviews and researches on the poverty line framework, as well as monitoring the poverty situation on an ongoing basis, including conducting focused analyses of the poverty situations of different disadvantaged groups (e.g. persons with disabilities ("PWDs"), ethnic minorities, single-parent households and new-arrival households). As the above tasks entailed sustained efforts, the Government proposed making permanent the supernumerary post in question. Section V's duty was to conduct economic analyses and researches, the findings of which would be submitted to CoP and the relevant policy bureaux to assist in the formulation of poverty alleviation policies and measures. As regards Professor CHOW's study, G Econ said that the Administration had fully discussed and analysed the URP proposal and pointed out that implementing URP might not be financially viable in the long run. Since Hong Kong's poverty problem was closely related to population ageing, the Government had introduced the Higher Old Age Living Allowance ("Higher OALA") to alleviate the problem of elderly poverty in a more focused manner. As to whether the Government would set a poverty alleviation target, he said that setting of a poverty alleviation target was a matter at the policy level outside the purview of OGE, and the Panel on Welfare Services would discuss Hong Kong's poverty situation and the setting of a target for poverty elimination at its meeting of 2 April 2019.

16. While acknowledging the importance for Section V in providing CoP with professional analyses and publish the annual poverty situation reports to assist CoP in formulating poverty alleviation strategies, Mr SHIU

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Ka-chun queried that the Government's purpose in allocating substantial resources for conducting analyses on poverty alleviation was to rationalize the current poverty situation (for example, by introducing an additional analysis of elders being "income poor, owning property of certain value" in the Hong Kong Poverty Situation Report 2017). He asked how Section V decided on the criteria and research directions to be adopted for poverty researches (for example, it merely considered household incomes without taking into account household assets in its researches on the poverty line framework; but it took into account elderly people's properties in its researches on elderly poverty). Also, Mr SHIU enquired whether the Government, in the face of the problems of elderly poverty and population ageing, continued to rely on tax revenue to meet the welfare expenditure on the elderly (including the Old Age Allowance, OALA and Higher OALA), and the estimated number of years for which the relevant revenue could cover such expenditure.

17. G Econ responded that as per CoP's recommendation, Section V specifically included in the Hong Kong Poverty Situation Report 2017 an analysis on elders who were "income poor, owning property of certain value", with a view to enabling the community at large to have a better understanding of the poverty situation of the elderly. He reiterated that the "relative poverty" definition had limitations, particularly because household assets were not taken into account; nevertheless, C&SD had pointed out that it was not feasible to collect data on people's assets. The newly introduced analysis provided useful supplementary information beyond the poverty line analytical framework, an additional perspective on the property asset situation of some poor elders and, to a certain extent, made up for the limitation of the current poverty line analytical framework under which assets were not taken into account. He stressed that the additional analysis was supplementary in nature, which did not affect the poverty rate and poor population figures calculated under the poverty line analytical framework. Regarding the use of tax revenue to meet the welfare expenditure on the elderly, G Econ said that according to a study conducted by the Government prior to the introduction of Higher OALA, the Government's tax revenue should be sufficient to cover the three allowances mentioned by Mr SHIU above in the foreseeable future.

18. Dr Fernando CHEUNG questioned the Government's claim that tax revenue could cover the welfare expenditure on the elderly. He pointed out that the Government, in arriving at its estimation, did not anticipate that over 80% of the elderly population would apply for Higher OALA. He said that, as revealed by Professor Nelson CHOW's study, the use of tax revenue by the Government to meet the expenditure on cash benefits for the elderly was the least sustainable option. Contrarily, the study suggested that a URP scheme funded by tripartite contributions from the Government,

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employers and employees could be an effective way to address the problems of elderly poverty and population ageing on a continuous basis. He asked about the benefits of making permanent the Pr Econ post in addressing the problem of elderly poverty. Dr CHEUNG and Mr SHIU Ka-chun also queried whether OGE, when analysing the poverty situation of the elderly in Hong Kong in 2017, took into account the impact of Higher OALA introduced in June 2018 on purpose in order to reduce the elderly poverty rate.

19. G Econ reiterated that Pr Econ needed to continue to lead Section V in the ongoing monitoring of the poverty situation (including elderly poverty) to support the Government in introducing timely measures to help the needy (including the elderly). He explained that given the Higher OALA introduced in June 2018 had retrospective effect from May 2017 and eligible elders were entitled to a one-off retrospective payment dating back to May 2017 at the earliest, the impact of the measure for the corresponding period should be reflected in the poverty statistics for 2017, and this was not done to deliberately reduce the poverty figures.

20. Dr Fernando CHEUNG pointed out that as per the definition of "relative poverty", the poverty line was set at 50% of the median household income; as such, the Government could eliminate poverty if it could effectively introduce poverty alleviation measures to raise household incomes below the poverty line to 50% of the median household income without affecting the setting of the poverty line (which was based on median income instead of average income). He criticized the Government for failing to ameliorate the poverty situation (particularly elderly poverty) in Hong Kong despite having sufficient statistics and analyses. Mr SHIU Ka-chun echoed Dr CHEUNG's view on elimination of poverty.

21. Dr Fernando CHEUNG also expressed concern about the poverty situations of children and PWDs in Hong Kong. Referring to the Hong Kong Poverty Situation Report 2017, he pointed out that the poor child population in Hong Kong had risen instead of fallen even after the Government's policy intervention. As far as PWDs were concerned, no follow up actions had been taken by Section V after a report on the poverty situation of PWDs was published in 2013. He questioned how making permanent the Pr Econ post could ameliorate the poverty problems of children and PWDs.

22. G Econ replied that when the Government stated that poverty could not be completely eliminated as per the definition of "relative poverty", it was referring to the situation before its policy intervention; but after its policy intervention, the poverty rate could still be lowered. In formulating poverty alleviation policies, consideration had to be given to social

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consensus and the use of financial resources in helping the needy. He added that currently, most elderly people were recipients of social welfare payments (e.g. CSSA or OALA) provided by the Government; only about one-fourth of the elderly population did not receive any social welfare payment. Regarding the poverty situation of PWDs, Pr Econ (5) said that C&SD would conduct a pilot survey in mid-2019, and expected to launch later in 2019 a new round of survey interviews concerning PWDs, which would last about a year. After completion of the survey by C&SD, Section V would start the relevant analytical work expeditiously with a view to publishing a new report on the poverty situation of PWDs in 2021.

23. Ms YUNG Hoi-yan asked in addition to the conduct of economic analyses and provision of statistics to CoP, whether Pr Econ would give strategic advice to CoP. She suggested that Section V's researches in the area of poverty alleviation should cover topics relating to child poverty.

24. G Econ noted Ms YUNG's suggestion of conducting researches on child poverty. He remarked that Section V had been providing CoP with professional analyses to enable CoP and the relevant policy bureaux to hold in-depth discussions and formulate relevant poverty alleviation policies. In the past, Section V had also provided the relevant policy bureaux with data analyses and inputs on LIFA for their reference.

Research and analytical work of the Office of the Government Economist

25. Mr CHAN Chun-ying expressed his support for the staffing proposal. He asked why the number of OGE's topical researches and analyses on economic issues related to Hong Kong had been decreasing year by year since 2015, and why OGE had not conducted any analysis related to financial development since 2017-2018.

26. G Econ said that OGE had been conducting economic analyses and researches in various areas, including the macro-economy, property market and labour market. Some topical researches and analyses actually formed part of the major research reports (e.g. the annual Hong Kong Poverty Situation Reports) available for access on OGE's website, which were no longer listed individually as separate items. Additional feature articles were appended to the Hong Kong Poverty Situation Reports from time to time to further enrich their contents. As regards researches on financial issues, G Econ pointed out that OGE mainly analysed from a macro perspective the implications of the development of the financial industry for the Hong Kong economy as a whole. Researches targeted at individual sectors were generally conducted by the relevant policy bureaux.

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27. Mr CHAN Chun-ying suggested that the topical researches constituting the major research reports should be listed separately and in detail on OGE's website. Furthermore, he suggested that when submitting discussion papers to ESC in the future, OGE no longer needed to state in the job descriptions that the responsibilities of the relevant personnel included undertaking other duties as assigned by their superiors. G Econ noted Mr CHAN's suggestions.

28. Mr WU Chi-wai enquired whether OGE would pro-actively take forward projects for research and analytical purposes and advise the Government on policy directions having regard to Hong Kong's economic situation, or it would conduct researches and analyses only on request after the Government had formulated relevant policies.

29. G Econ responded that the two approaches mentioned by Mr WU had been adopted by OGE. For instance, on population ageing, OGE studied and assessed the potential impact of population ageing on the economy primarily from a macroscopic perspective. On poverty alleviation, CoP would discuss and exchange views with the Government on issues relating to poverty alleviation; after that, the relevant policy bureaux would then formulate policies and introduce measures, and OGE would provide professional researches and analyses to support the work of CoP.

30. Dr Pierre CHAN said that he supported the staffing proposal in principle. Noting that C&SD collected information and data through the conduct of questionnaire surveys, the information of which was given by the respondents on a voluntary basis, he was concerned about possible inaccuracy. Big data researches and analyses could not be conducted due to the lack of information sharing among government departments. Furthermore, as analyses on population profile had failed to pinpoint the demographic structure of new arrivals, accurate analyses and projections could not be arrived at. He enquired about the enhanced measures (including data collection methods) in place to ensure the use of more complete and accurate raw data for researches and analyses, and whether consideration would be given to sharing of information among departments for use of accurate big data on research and analyses.

31. G Econ acknowledged the importance of having accurate raw data for conducting researches and analyses. He said that OGE would use data of greater accuracy for research and analytical purposes where circumstances permitted. For example, in conducting studies on earnings mobility, Section V had progressed from using questionnaire survey data in the early days to the current practice of using administrative data (including income data from the Inland Revenue Department) to analyze the earnings

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mobility of different generations among the target groups of the study with a view to increasing the accuracy of the study. Regarding projections for the demographic structure of new arrivals, Pr Econ (5) pointed out that at present, new arrivals were mostly holders of One-way Permits who came to settle in Hong Kong for family reunion; as they were from a wide range of age groups, it was difficult to make accurate projections on their demographic structure. Nevertheless, C&SD would collect data on the demographic structure of new arrivals from the relevant departments in order to come up projections of greater accuracy.

32. Given the importance of raw data to researches and analyses, Mr WU Chi-wai asked why OGE would make use of data with greater accuracy for researches and analyses only when circumstances permitted, and how OGE would let the Government and the public know about the limitations of its researches.

33. G Econ said that OGE would decide on the types of data sources to be used and, where necessary, the methods for collecting additional data having regard to the nature of the project. OGE would state clearly in the relevant research report the limitations of the research methodology and data. For instance, in the case of the poverty line, the limitation of not considering household assets was set out in detail in the poverty situation reports for readers' information.

34. The Chairman pointed out that central banks of foreign countries would publish various commentary reports on financial and economic issues every year. In her view, OGE should follow the practice of foreign countries and conduct more economic researches and analyses proactively and professionally for public access. Mr Holden CHOW also suggested that OGE should publish research reports on population issues (including the demographic structure and population ageing) on a regular basis.

35. G Econ noted the suggestions from the Chairman and Mr Holden CHOW. He said that OGE would proactively conduct economic researches and analyses on different topics, and such analyses would be published on OGE's website in the form of Economic Letters etc.

Justifications for creating the permanent post and duties of the post

36. Mr WU Chi-wai noted that the work of Section V of OGE mainly included analyses in the area of poverty alleviation. He queried whether it was necessary for Section V to be led by a Pr Econ, and enquired about the specific differences between the researches and analyses conducted by Section V and those by academic research institutions. Furthermore, he requested the Administration to elaborate on the implications of making

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permanent the Pr Econ supernumerary post on non-directorate support.

37. G Econ advised that Section V needed to support CoP in reviewing and, where necessary, enhancing the poverty line analytical framework, and to publish the annual poverty situation reports. Six annual reports had been published to date. The reports analysed in detail the latest poverty situation in Hong Kong, the forms and causes of poverty, and the effectiveness of the existing key poverty alleviation measures of the Government; they also included many feature articles on different poverty issues. As the above tasks entailed systematic and continuous monitoring, reviews and analyses based on objective data under the poverty line analytical framework formulated by CoP, it was indeed necessary to have a permanent Pr Econ post to continue to lead Section V in its work. He added that academic research institutions could also conduct independent researches and analyses using the survey data from C&SD. As regards non-directorate support, G Econ said that the permanent Pr Econ post would continue to be supported by six permanent civil service posts, including one Personal Secretary I post, which was currently time-limited and would be made permanent upon its expiry in 2019-2020 to provide continued secretarial support to Pr Econ.

38. Given that the main duties of the proposed Pr Econ post included providing strategic inputs on the policy area of poverty, Mr Jeremy TAM asked why the Administration had not consulted the Panel on Welfare Services on the proposal. He also enquired about the rationale for making permanent the Pr Econ post from a supernumerary post, as well as the performance targets and effectiveness of the proposed post, particularly in relation to population-related analyses.

39. G Econ pointed out that all Members of the Legislative Council, including members of the Panel on Welfare Services, had been invited to the meeting of the Panel on Public Service held on 17 December 2018. He added that the Government created the Pr Econ post in the form of a supernumerary post in 2013, and subsequently extended the supernumerary post for three years to 2019. The proposed Pr Econ post needed to lead Section V in providing professional support for reviews and researches on the poverty line framework and monitoring the poverty situations of, among others, PWDs, ethnic minorities, single-parent households and new-arrival households. Furthermore, Section V would also update the studies on earnings mobility and actively participate in the population projection and labour force projection exercises conducted by C&SD. As the above tasks had to be carried out continuously, it was necessary that the supernumerary post be made permanent. In response to Mr Jeremy TAM's further enquiry, G Econ advised that the Hong Kong Poverty Situation Reports contained analyses on new-arrival households to help the

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Government and the community at large understand the poverty situation. Besides, as the WFA Scheme implemented by the Government did not impose a requirement on the length of residence in Hong Kong, new arrivals could also apply for WFA.

40. Noting LWB's plan to take the wages and benefits of outsourced workers into account when assessing tenders in the future, Mr AU Nok-hin enquired whether Section V, when conducting poverty-related analyses, would study the impact of the aforesaid policy on the poor working population, and conduct researches on matters relating to minimum wages (e.g. introducing minimum wages for different occupations).

41. G Econ advised that researches on the labour market, manpower resources and labour legislation were within the remit of Section IV. In the event that a labour welfare policy had made an impact on the poverty situation of the employed population, such an impact would be reflected in a poverty-related analysis conducted by Section V.

42. The Chairman remarked that as some members were still waiting for their turn to ask questions, the Subcommittee would continue the discussion on this item at the meeting to be held on 29 March 2019.

43. There being no other business, the meeting ended at 4:30 pm.