

## **Chapter XIII : Education and Manpower**

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13.1 At the invitation of the Chairman, the Secretary for Education and Manpower (SEM), Mrs Fanny LAW, gave a presentation highlighting the major tasks under her policy areas of education and manpower in 2001-02 (Appendix V-12a & V-12b).

### **Education**

#### **Tertiary education**

13.2 Noting that the Government had decided that the number of First-Year-First-Degree (FYFD) places should remain at 14 500 for the 2001-02 to 2003-04 triennium, Mr CHEUNG Man-kwong pointed out that the figure only represented a university participation rate of 16% of the 17-20 age group, which was 2% below the target of 18% as pledged by the Government. He urged that the Administration should increase the number of publicly-funded FYFD places with a view to fulfilling the 18% target, in particular when the Government had decided to admit Mainland professionals on the grounds of an acute shortage of trained manpower in IT and financial services.

13.3 Mr SIN Chung-kai pointed out that the shortfall of 2% represented about 1 320 FYFD places. As far as IT training was concerned, he was given to understand that some universities had the capacity to double the intake of students in the IT discipline, provided that they were allocated additional funding. He considered that the training of local IT personnel would substantially reduce the need to import talents and requested the Administration to reconsider its position.

13.4 Dr YEUNG Sum shared similar concern and reiterated the need to provide additional funding to the universities to provide the necessary training to meet Hong Kong's manpower needs. He opined that the Administration should strive to achieve the pledged target of providing FYFD places for 18% of the relevant age group instead of lowering the percentage to 16%. He also queried the consistency of the policy decision to admit Mainland professionals on the one hand, and to reduce university funding on the other.

13.5 In response, SEM advised that providing FYFD places for 18% of the relevant age group was a broad policy objective of the Government. However, in implementing the policy, the Administration had to take into consideration other relevant factors. She further explained the reasons for

## **Chapter XIII : Education and Manpower**

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maintaining the number of FYFD places at 14 500 (16% of the relevant age group) as follows:

- (a) Based on the results of the Hong Kong Advanced Level Examination, only 15 000 out of the 26 000 candidates could fulfill the minimum university entry requirements. Discounting an estimated 10% who would pursue their studies overseas, 14 500 FYFD places had already catered for some 90% of eligible candidates. To increase the number would lead to the admission of candidates who could barely meet the minimum entry requirements and the quality of university students would be compromised.
- (b) The number of FYFD places had increased substantially since the 1990's from a participation rate of 5% of the relevant age group to the present 16%. The University Grants Committee (UGC) sector had now entered a consolidation phase when more focus should be put on quality. The Government however would not rule out the possibility of increasing the number of FYFD places for the 2004-05 to 2006-07 triennium, depending on the findings of the 2001 Population Census and other relevant factors.
- (c) For those who failed to attain a FYFD place, there existed other avenues to further their studies, such as degree programmes offered by the Open University of Hong Kong, the Hong Kong Academy for Performance Arts and other degree courses run by self-financed tertiary institutions.

13.6 SEM stressed that additional funding was not necessarily the key to quality university education. Savings could be achieved by more efficient and prudent use of funding without compromising quality. She highlighted that the number of FYFD places had not been reduced and the reduction in recurrent funding for the UGC-funded institutions had been agreed in 1996 as one of the initiatives to achieve productivity gain. The overall expenditure on education had not been reduced and there was a real growth of 9% in the expenditure on basic education.

## **Chapter XIII : Education and Manpower**

---

13.7 Regarding the need to import IT professionals from the Mainland, SEM said that the shortage in trained personnel could not be resolved in the near future by increasing the number of relevant FYFD places. The Admission Scheme was a short-term relief measure while the Administration would continue to explore other longer-term solutions. These included inviting renowned international training institutions to run IT programmes in Hong Kong, enlisting the industry in the provision of IT education in schools, examining the provision of accreditation for non-degree IT courses and providing opportunities for overseas training.

13.8 Mrs Sophie LEUNG conveyed the concern of the business community about the quality of graduates who appeared to lack interpersonal skills and understanding on the operation of the business sector. She thus urged the Education and Manpower Bureau (EMB) to encourage closer liaison between the business community and the education sector so as to ensure that the future graduates would be able to meet the requirements of the community.

13.9 SEM responded that the business sector was welcome to assist in education development. In fact, some Chambers of Commerce had set up a coalition on their own initiative. Last year, the Education Department (ED) had also set up a working group comprising representatives from schools and the business community to step up collaboration in this respect.

### **University Grants Committee**

13.10 Regarding the criteria adopted by the UGC in allocating funding to different disciplines and the transparency of the funding mechanism, the Secretary General, UGC (SG, UGC) explained that a number of factors had to be taken into account. These included the actual expenditures of academic programme categories (APC) incurred by the relevant institutions in the previous triennium, the cost weightings of an APC in local and overseas universities, and professional advice from education experts in the UGC. He said that the UGC was liaising with universities on how transparency of the funding allocation mechanism could be enhanced.

13.11 On the basis for adjusting the number of FYFD places in certain disciplines, SG, UGC explained that in determining the number of places for any disciplines, consideration would be given to, inter alia, the academic development

## **Chapter XIII : Education and Manpower**

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plan submitted by the universities, the enrolment for various disciplines as proposed by the universities, the future development of the universities, as well as the manpower forecasts made by the EMB.

13.12 Referring to the language enhancement grants disbursed by UGC, Miss Margaret NG questioned the fall in the amount of grants from \$88 million in 2000-01 to \$73 million in 2001-02, given the need to strengthen the language proficiency of the students.

13.13 SEM explained that since 1991-92, individual institutions had set up language training facilities and centres, developed language programmes which had also been integrated into the institutions' core activities. As such, the funding assistance required would be much less than that at the initial stage. SEM also highlighted the Administration's commitment to improve language proficiency among students by referring to the work of the Standing Committee on Language Education and Research set up since 1997 to study how language teaching and learning could be further enhanced.

### **Extra-curricular activities for youths**

13.14 Referring to the recent proposal to strengthen the presence of Police in some schools and the "curfew" system adopted in some districts, Miss Emily LAU said that youth delinquency problems should be tackled at source, i.e. schools should provide more recreational facilities, extend the opening hours or organize worthwhile activities for students in order that they would spend their time and energy in a meaningful way.

13.15 Elaborating on the extra-curricular activities available to youngsters, the Director of Education (D of E) said that the Understanding the Adolescent Project (UAP), which sought to help young people to build up self-confidence, had proved to be successful for secondary school students. \$84 million had therefore been earmarked in 2000-01 for expanding UAP in the secondary school sector and extending it to senior primary school students. The funding allocated would increase to \$180 million by 2003-04. Also, in order to encourage youngsters to participate in community work and to develop leadership skills, \$50 million had been earmarked for strengthening school-based uniformed and youth group activities. A "Smart Teen" programme which provided disciplinary training with the assistance of the Police Training School and the Civil Aid Services had also been developed for youngsters. \$50 million had also been

## **Chapter XIII : Education and Manpower**

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earmarked to promote parent education and home-school co-operation.

13.16 D of E supplemented that where appropriate, schools were encouraged to extend the opening hours of their premises and facilities such as computer rooms and sports ground, etc. He assured members that the ED would continue to work closely with the Social Welfare Department (SWD) in providing young people with a wide range of services. In further response to Miss LAU, D of E clarified that it was not government policy to provide one police officer for each secondary school. Only some schools in a few districts had this arrangement. However, the “Secondary School Police Liaison Officers Scheme” had been in place for some time. The Scheme sought to prevent youth crime by enhancing liaison with the management and students of schools. Each police officer was assigned a few schools within the district. Their main tasks included delivering talks to students and encouraging students to report crimes.

13.17 In this connection, SEM pointed out apart from improved provision of facilities and activities, schools should have more scope for moral and civic education to enable students to develop a sense of social responsibility and positive attitude towards life. Healthy activities such as reading should also be promoted among young students.

### **Direct Subsidy Scheme (DSS)**

13.18 Noting that only one primary school had successfully applied for admission to the DSS in the 2000-01 school year, Mr TSANG Yok-shing asked whether the ED would reconsider the eligibility criteria in order to attract more applications.

13.19 D of E clarified that there had been a good start as DSS had only been extended to cover primary schools starting from the 2000-01 school year and there was no pre-determined target. The ED considered it important to inject more variety into the education system to provide parents and students with a wider choice. As to which schools could join DSS, this would have to be considered in the light of the circumstances and quality of the schools concerned. Some limitations nevertheless existed. For instance, aided schools joining DSS would have to address the question of providing an attractive provident fund scheme, which aided school teachers currently enjoyed.

### **Pre-primary education**

13.20 Noting that \$960 million had been earmarked for pre-primary education in 2001-02, which represented only 2% of the total expenditure on education, Mr LEE Cheuk-yan requested the Administration to consider providing free pre-primary education with a view to improving the quality of pre-primary education and alleviating the financial burden of parents.

13.21 In reply, SEM re-affirmed the position of the Administration as set out in the 2000 Policy Address that no child would be deprived of the chance to receive early childhood education due to lack of means. Although the percentage share of expenditure on pre-primary education was relatively small, its annual percentage increase was among the highest. She further advised that to upgrade the quality of pre-primary education training for kindergarten teachers would be strengthened. A self-evaluation and self-improvement mechanism would be introduced to provide performance indicators for pre-primary schools. The ED and SWD were currently examining further harmonization of kindergartens and child care centres including the mode of subsidy and training of teachers. SEM highlighted that the quality of pre-primary education had to be achieved through a package of measures and free education alone could not guarantee quality. As regards the financial implications if free pre-primary school education was implemented, SEM undertook to respond in writing.

13.22 The Controller, Student Financial Assistance Agency supplemented that since the 2000-01 school year, the means test under the Kindergarten Fee Remission Scheme had been relaxed. So far, some 4 000 families had benefited from such relaxation, of which 1 700 students who would have otherwise obtained half fee remission were now obtaining full fee remission. Another 2 400 students who would have failed the means test last year were now receiving half fee remission.

### **Gifted children**

13.23 On the criteria for identifying gifted children and the programmes available to them, D of E said that school-based programmes had been designed to enable schools to identify such gifted children, to be aware of their needs and to provide enrichment programmes with a view to developing gifted children to their full potential. The Fung Hon Chu Gifted Education Centre now served as a base

## **Chapter XIII : Education and Manpower**

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to develop enrichments programmes for these children. In addition, a pilot project, the Cluster School Gifted Project (CSGP) had been carried out to provide intensive consultative support to 20 primary and secondary schools.

13.24 The Deputy Director of Education (DD of E) supplemented that some gifted children, apart from academic achievement, also demonstrated talents in areas such as visual art, interpersonal skills and creative thinking. To cater for the development needs of these children, schools had been encouraged to make use of the recurrent Capacity Enhancement Grant to fund school-based projects. For schools not covered by the CSGP, they could recommend gifted children to enrol in other enrichment programmes. One such enrichment programme, which involved some 1 000 students, would provide training on mathematical skill. Another programme covered leadership training with options for performing arts, visual arts, science, etc. DD of E further advised that having considered various international approaches, the Administration had adopted a scheme where gifted children would be classified into three levels of ability. At Dr LO Wing-lok's request, he agreed to provide an estimate of the number of gifted children in Hong Kong.

### **Language Proficiency Assessment for Teachers**

13.25 On the Language Proficiency Assessment for Teachers (LPAT), Mr SZETO Wah sought information on the total expenditure and unit cost per teacher incurred in the current year and the estimated figures for 2001-02.

13.26 In reply, SEM highlighted the need to assess language proficiency for both serving teachers and new recruits. The Deputy Secretary for Education and Manpower (3) advised that about \$4 million was spent on the first test of the LPAT, which included the costs of developing the test paper and engaging additional staff to assist in implementing the test. At Mr SZETO's request, he would provide further information on the number of serving teachers and new teachers who had participated in the first test and the unit cost per teacher for running the first test.

### **Kindergarten teachers**

13.27 Mr YEUNG Yiu-chung enquired about the reasons for the increase in the wastage rate of kindergarten teachers in the past three years and the

## **Chapter XIII : Education and Manpower**

---

measures taken by the Administration to improve the situation.

13.28 D of E explained that the wastage rate of kindergarten teachers had increased mainly in private independent kindergartens but not in non-profit-making kindergartens. The situation was expected to improve after 2003 when all kindergarten teachers were required to possess pre-service Qualified Kindergarten Teacher qualification. He added that starting from September 2001, the entry requirement of all newly appointed kindergarten teachers would be raised to five passes in the Hong Kong Certificate of Education Examination, including Chinese and English.

13.29 On Mr YEUNG's suggestion to increase funding for the Kindergarten Subsidy Scheme so as to provide kindergartens with greater flexibility in offering better employment terms to attract qualified and experienced kindergarten teachers, D of E said that a review was currently conducted on the Kindergarten Subsidy Scheme. The ED would consider all relevant factors in the course of the review.

### **School Educational Television Production**

13.30 In response to Mr CHAN Kwok-keung's question on the savings resulting from a reduction in the production target to 175 ETV school programmes in 2001 from 212 programmes in 2000, SEM undertook to provide the information after the meeting.

### **Manpower**

#### **Vocational Training Council (VTC)**

13.31 Referring to the Chinese Cuisine Training Institute which provided systematic training and trade testing in Chinese cuisine, Mr Tommy CHEUNG asked whether additional resources would be allocated for increasing the number of training places, constructing a purpose built complex for the Institute in a more convenient location, and developing an accreditation system based on industry standard.

13.32 In response, SEM advised that as the Chinese Cuisine Training Institute was only commissioned in December 2000, more operational experience



## **Chapter XIII : Education and Manpower**

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had to be acquired before a comprehensive review could be conducted on its needs and related arrangements. As regards an accreditation system, the VTC was reviewing the matter across the board. The Deputy Secretary for Education and Manpower (1) (DS(EM)1) supplemented that the number of training places in the Institute would be increased from the existing 100 to 2 830 places by 2002-03.

13.33 Mr SIN Chung-kai considered the small increase in the provision of IT training in 2001-02 inadequate to provide training to the workforce for coping with future demand. In reply, the Executive Director, VTC said that the number of IT training places had actually increased from 7 631 in 1999-2000 to 12 458 in 2001-02. The number of training hours had also increased from 198 000 in 1999-2000 to 810 000 in 2001-02. In addition, six new higher diploma courses in the IT discipline would be offered at the Institute of Vocational Education in the coming year.

### **Employees Retraining Board (ERB)**

#### Cost-effectiveness of employees retraining services

13.34 Miss Emily LAU referred to criticisms by the Public Accounts Committee about the unsatisfactory performance of the ERB despite heavy government funding. Noting from the Administration's written reply that according to a recent ad hoc retention survey, out of the 69% of retrainees interviewed who were found to have been placed into relevant trades or industries, only 32% were still holding their first jobs after six months, Miss LAU considered the rate unsatisfactory and urged the EMB to closely monitor ERB to ensure the cost-effective provision of retraining services.

13.35 The Executive Director, ERB clarified that 87% of the retrainees were still employed after six months, although not necessarily in the relevant trades or industries. SEM pointed out that the ERB had worked very hard in the past few years to improve the quality of retraining through course restructuring, standardization, modularization and course enrichment in order to meet market needs. She also highlighted that by design, ERB was subject to certain limitation, notably the admission criteria on age and academic qualification, and the courses it could offer. She stressed that ERB's performance should not be measured solely with reference to placement/retention rates which were often susceptible to other factors.

## **Chapter XIII : Education and Manpower**

---

13.36 Miss LI Fung-ying, Mr CHAN Kwok-keung and Mr LEE Cheuk-yan, who were members of the ERB, considered many of the criticisms on ERB unfair. They drew members' attention to the fact that target retrainees of ERB were mostly over 30 years of age and with low academic/qualifications. The short duration of the retraining courses, a weak economy and keen competition in the job market would also put these retrainees in a disadvantaged position. The members stressed that while the work of ERB could be further improved, ERB was making a lot of efforts to help sustain the employability of retrainees amidst difficult conditions.

13.37 In response to concerns about cost-effectiveness, SEM reported that the EMB had signed a Memorandum of Understanding with the ERB setting out key service requirements as well as performance indicators. To ensure that resources were deployed in the most cost-effective manner, a consultancy would be commissioned to review the existing organizational set-up and mode of service delivery for the provision of training and retraining. The review was expected to be completed before the end of 2001.

13.38 Miss LI Fung-ying questioned the need for such a review given that the EMB had conducted a similar review on the ERB and VTC two years ago. In reply, SEM explained that the previous study had focussed more on the internal administration and curriculum of the ERB and VTC. The proposed review on the other hand would focus on the inter-organizational working relationship between the VTC, the ERB, the Clothing Industry Training Authority and the Construction Industry Training Authority. The objective was to eliminate duplication of resources and to explore the development of a qualification framework for vocational training and the interface between vocational training and adult education. The amount of funding required for the consultancy review was yet to be ascertained.

### Tailor-made retraining courses

13.39 Noting that the job placement of tailor-made retraining courses was as high as 88% in 1999-2000, Mr Kenneth Ting urged the Administration to further increase the funding for 2001-02. SEM responded that the provision earmarked for tailor-made retraining courses in 2001-02 already represented 19% more than that of 2000-01. She added that if a programme warranted additional

## **Chapter XIII : Education and Manpower**

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funding, the ERB was in a position to redeploy its resources accordingly.

### Age eligibility

13.40 Pointing out that the unemployment rate for young people was as high as 20%, Mr SIN Chung-kai held the view that the ERB should relax the age eligibility to provide retraining to people under 30 years of age. In reply, SEM said that under the existing arrangement, persons under the age of 30 could enrol in certain ERB-funded courses. However, as a matter of policy, ERB would accord priority to applicants aged 30 and above. SEM commented that as the bulk of the retraining courses were targeted at jobs in property management and domestic helpers which would appeal more to middle-aged applicants, young people might not be very enthusiastic about enrolling for these courses.

### **Skills Upgrading Scheme**

13.41 Mr James TIEN said that the existing eight tripartite committees set up for individual industries should be allocated with additional funding for the purpose of drawing up skills upgrading programmes for their respective industry. In reply, SEM advised that the Administration had earmarked \$400 million in the coming two years for the provision of focused skills training for junior-level workers with an education standard at or below secondary level.

13.42 Mr LEE Cheuk-yan asked whether the provision would include any subsidy provided to employers who released employees to attend training courses during working hours. In response, SEM said that the issue had yet to be discussed by the Skills Upgrading Scheme Steering Committee. The Steering Committee would study how the provision would be apportioned among the six industries which had been selected for the first phase of the Skills Upgrading Scheme and how the training costs would be shared by the Government, employers and employees. As to whether the Administration would inject more resources into the Skills Upgrading Scheme if operational experience proved that the provision was insufficient, SEM said that the Administration would monitor the development of the Scheme and assess the need for additional funding if necessary.

### **Manpower needs of various industries**

## **Chapter XIII : Education and Manpower**

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13.43 Mrs Sophie LEUNG pointed out that in view of Hong Kong's economic restructuring, the Administration should conduct a review on the manpower needs of various industries and trades in the light of changes in the economy. In reply, SEM informed members that a manpower survey had been conducted last year to ascertain the future manpower requirements by broad industries, occupations and educational levels. EMB would follow up the recommendations with the bureaux/departments concerned.

### **Age discrimination in employment**

13.44 Mr Andrew CHENG expressed concern about the small provision earmarked for the Re-employment Pilot Programme for the Middle-aged (RPPM). Given that the allocation was merely \$7.35 million which was much lower than the provision of \$110 million earmarked for the Youth Pre-employment Training Programme, he considered that there might be age discrimination underlying the allocation of resources. Mr LAU Chin-shek echoed his view and asked whether the Administration would introduce legislation against age discrimination if the opinion survey for which a provision of \$200,000 had been earmarked revealed that age discrimination existed in employment.

13.45 In reply, SEM stressed that resources were allocated for different programme areas according to needs and there was no question of giving preference to certain age groups at the expense of others. She explained that as the RPPM was a pilot project, it had started on a smaller scale. The Administration attached great importance to assisting middle-aged unemployed persons, as evidenced by the setting up of the ERB which would also be provided with recurrent subvention of \$400 million from this financial year onwards to provide it with a stable source of funding. The Administration was of the view that education and publicity were the more effective means to tackle the problem of age discrimination and legislation might not eliminate the problem altogether. Nevertheless, the Administration maintained an open position and would be prepared to listen to the community's views in deciding the way forward. In this connection, \$1.23 million had been earmarked in 2001-02 for the publicity programme against age discrimination in employment.

13.46 On further details of the RPPM, the Commissioner for Labour (C for L) informed members that according to the current plan, in 2000-02, some 2000 persons aged 40 or above who had been unemployed for three months or more could participate in the Programme. Workshops would be organized under the RPPM and the participants would be given individual counselling and training to improve job seeking and interpersonal skills, job interview techniques, etc.

### **Protection of Wages on Insolvency Fund**

13.47 Mr Albert HO expressed concern about claimants who were not eligible for legal aid and at the same time could not afford the cost for filing a

## **Chapter XIII : Education and Manpower**

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petition for the winding up or bankruptcy of the employer. He urged the Administration to consider providing these persons with an advance payment from the Protection of Wages on Insolvency Fund (PWIF) repayable by them afterwards.

13.48 In response, C for L informed members that of the 10 000 applications or so each year involving claims for arrears of wages, wages in lieu of notice and severance pay, about two-thirds were granted legal aid and one-third received ex gratia payment under the PWIF due to insufficient assets of the employer. There was just about 1% of the applications in which the applicants could not satisfy the means test for legal aid and could not receive any compensatory payment. Given that the legal aid scheme and the PWIF involved the use of public money and levies by the industry respectively, the Administration must exercise prudence and act in accordance with relevant criteria and legal requirements relating to eligibility and disbursement.

### **Labour disputes**

13.49 Mr YEUNG Yiu-chung asked whether the success rate of 61.8% of resolving labour disputes through conciliation could be further improved for the year 2001-02.

13.50 In response, C for L assured members that the Labour Department would make all practicable efforts to resolve labour disputes through conciliation. However, the success rate would depend on a number of factors, including the nature and amount of claims, the financial position of the employer, etc. The success rate of 61% was based on past trend and considered to be realistic.