

## **ITEM FOR FINANCE COMMITTEE**

### **HEAD 40 – EDUCATION DEPARTMENT Subhead 106 Temporary staff**

Members are invited to approve supplementary provision of \$46.5 million to Head 40 Education Department Subhead 106 Temporary staff.

#### **PROBLEM**

The approved provision for the employment of temporary staff is insufficient to meet the expenditure in 2000-01.

#### **PROPOSAL**

2. The Director of Education, with the support of the Secretary for Education and Manpower, proposes a supplementary provision of \$46.5 million to Head 40 Education Department Subhead 106 Temporary staff in order to meet the anticipated expenditure in 2000-01.

#### **JUSTIFICATION**

3. A provision of \$175,595,000 has been included under Head 40 Subhead 106 in the 2000-01 Estimates for the employment of temporary staff. However, based on the actual expenditure to date and projected requirements up to 31 March 2001, we estimate that there will be a shortfall of \$46.5 million under this Subhead, mainly due to insufficient provision made for teachers employed on non-civil service contract (NCSC) terms in government schools.

4. On 1 April 1999, the Administration began to freeze hiring into the civil service. As a result, government schools employed 170 teachers on NCSC terms in the 1999/2000 school year to fill vacancies arising from natural wastage

/and .....

and to implement whole-day schooling. When preparing the Estimates for 2000-01, we did not know whether the recruitment freeze would continue in 2000-01, and decided to take a prudent approach. We included provisions for Personal Emoluments and Establishment so that if the recruitment freeze was lifted for 2000-01, we could appoint government school teachers on civil service terms for the 2000/01 school year. We have accordingly included only five months' provision for the continuous employment of the 170 NCSC teachers for the remaining months of the 1999/2000 school year (which fall within the 2000-01 financial year) under Subhead 106.

5. With the continuation of the civil service recruitment freeze in 2000-01, we decided to continue employing the 170 teachers mentioned above, and employ a further 120 teachers on NCSC terms for the 2000/01 school year. The additional 120 teachers are required to fill vacancies arising from natural wastage and to implement whole-day schooling. Consequently, the approved provision under Head 40 Subhead 106 is inadequate to meet the salary payment for a total of 290 NCSC teachers for seven months from September 2000 to March 2001. The shortfall in provision amounts to \$44.6 million.

6. Apart from the above requirement, the Education Department needs additional provision for employing part-time teaching staff in its Adult Education Centres (\$1.3 million) and clerical and janitor staff in government schools (\$0.9 million), due to higher than expected demand for such services. It also needs to hire additional professional and supporting staff for miscellaneous task-based assignments such as one-off research studies and processing of grants for school-based support schemes for newly arrived children (\$5.1 million). These additional requirements are partly offset by a projected surplus in the provision for employing supply teachers in government schools (\$5.3 million).

7. The net additional requirement, taking into account the above factors, amounts to \$46.5 million. The detailed financial position of Subhead 106 is set out at the Enclosure.

Encl.

## **FINANCIAL IMPLICATIONS**

8. Subject to Members' approval, we will offset the supplementary provision of \$46.5 million by reserving administratively an equivalent amount under Head 40 Subhead 149 General departmental expenses.

**/BACKGROUND .....**

**BACKGROUND INFORMATION**

9. Remuneration for temporary teaching and non-teaching staff of the Education Department is charged to Head 40 Education Department Subhead 106 Temporary staff. The Department currently employs the following types of temporary staff –

- (a) teachers on NCSC terms in government schools;
- (b) supply teachers in government schools;
- (c) part-time teaching staff in Adult Education Centres of the Department;
- (d) clerical and janitor staff in government schools; and
- (e) professional and supporting staff employed on a task basis for various sections of the Department.

10. In the 1999 Budget Speech, the Financial Secretary announced a general freeze on hiring into the civil service with effect from 1 April 1999. The freeze was instituted initially pending the review of the terms and conditions of the civil service and other changes to the civil service system, and further as a means to impose a tight control over the size of the civil service.

11. With the agreement of the Civil Service Bureau, as an exemption to the general freeze on recruitment into the civil service, the Education Department plans to resume recruiting teachers on civil service terms from the 2001/02 school year.

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**Enclosure to FCR(2000-01)59**

**Financial Position of Subhead 106 Temporary Staff**

<b>Description</b>	<b>Approved Estimates 2000-01 \$ million</b>	<b>Revised Estimates 2000-01 \$ million</b>	<b>Surplus/ (Deficit) \$ million</b>
Teachers on NCSC terms in government schools	25.547	70.142	(44.595)
Supply teachers in government schools	52.679	47.365	5.314
Part-time teaching staff in Adult Education Centres of the Department	56.770	58.069	(1.299)
Clerical and janitor staff in government schools	5.152	6.006	(0.854)
Professional and supporting staff employed on task basis for various sections of the Department	35.447	40.506	(5.059)
<b>Total</b>	<b>175.595</b>	<b>222.088</b>	<b>(46.493)</b>

**say (46.5)**