

Chapter XIII : Education and Manpower

13.1 At the invitation of the Chairman, the Secretary for Education and Manpower (SEM), Mrs Fanny LAW, briefed members on the Government's expenditure on education and manpower, the main areas of increased provision and the priorities of work in the next financial year (Appendix V-12a & V-12b).

Education

Tertiary Education

Funding

13.2 Noting that the number of First-Year First-Degree (FYFD) places as a percentage of the relevant age group (17 to 20) had been reduced from the target of 18% as pledged by the Government in 1994 to 16% in 2002-03 and probably further down to 15.5% in the near future, Mr CHEUNG Man-kwong enquired whether the Government would take any measures to enable more young people in the relevant age group to receive university education. In response, SEM advised that subject to the availability of funds, it was the Administration's plan to increase the FYFD places as a percentage of the 17 to 20 age group to 18% by the next triennium of 2004-05 to 2007-08.

13.3 Noting the Government's intention that associate degree programmes should predominantly be self-financing, Mr CHEUNG Man-kwong was gravely concerned about the Government's reduced subsidies for associate degree places as the number of sub-degree places (including higher diplomas and associate degrees etc.) funded by the University Grants Committee (UGC) would be reduced from 13 212 in 2000-01 to about 11 967 in 2002-03. He pointed out that under such a policy, government subsidy for a FYFD place in a UGC-funded institution could be up to \$200 000 a year while eventually, there might virtually be no subsidy for an associate degree place. Mr CHEUNG considered the differential funding strategies between degree and sub-degree places unfair.

13.4 In response, SEM clarified that the reduction in sub-degree places in the current triennium was due to upgrading of the Hong Kong Institute of Education (HKIED)'s Certificate Courses to the degree level. She further advised that the Government would continue to subsidize associate degree programmes which might not have an immediate market appeal but were needed for strategic purposes and courses which would require high start-up and

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maintenance costs or expensive equipment. While applying different funding strategies for degree and sub-degree programmes was intended to enable more young people to receive tertiary education, the Government would ensure that no eligible students would be denied access to tertiary education due to a lack of financial means. Currently, financial assistance in the form of grants, low-interest loans or non means-tested loans were available for application.

Staff salaries

13.5 Mr SZETO Wah noted that the suggestion to delink the pay scale of the staff of UGC-funded institutions with that of the civil service had been met with opposition by the staff concerned. He questioned the stance of the UGC on the matter as it had recommended such delinking in its Report on Higher Education in Hong Kong (the Report), rendering the two-month staff consultation on the delinking proposal subsequent to the publication of the Report a substantially meaningless exercise.

13.6 In response, SEM pointed out that while individual members of the UGC were in favour of the delinking proposal, the matter was still under public consultation and no decision had yet been taken. The Secretary-General of the UGC supplemented that the delinking proposal was in line with the need for differential salaries and rewards accepted by best international practice. It would enable UGC-funded institutions to determine the appropriate terms and conditions of service for recruiting and retaining staff of the highest standing, thereby increasing their international competitiveness. He stressed that the UGC was still under discussion with the Administration and institutions concerned and no firm decision had been taken.

Basic education

Floating classes

13.7 Although the number of pupils affected by floating classes had been on the decline, Ms Emily LAU was gravely concerned about the timetable for abolition of all floating classes which she considered highly undesirable in the face of quality education. In reply, the Director of Education (D of E) confirmed that as a result of the School Improvement Programme, the remaining 31 floating classes would be all phased out by 2005. In this connection, SEM pointed out that the merit of making students classroom-based was to foster their sense of

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belonging. Nevertheless, it did not mean that tuition could not take place outside the classroom as under the prevailing arrangements, students might attend classes on special subjects in specific rooms such as the IT room or language laboratory.

Whole-day primary schooling

13.8 On the Administration's target to implement whole-day operation for all primary schools by 2007, Mr YEUNG Yiu-chung questioned whether the target could be duly met given that there would still be 84 bi-sessional primary schools in 2002-03. Referring to the provision of whole-day primary schooling in different districts, Mr YEUNG enquired about the difficulties encountered in those districts which at present had a lower percentage of whole-day primary school provision.

13.9 In response, SEM reaffirmed the interim target of enabling 60% of primary school pupils to study in whole-day primary schools by the 2002-03 school year. Based on the current progress, the Administration was confident that the said target could be met. On a district-by-district comparison, D of E supplemented that all primary schools in Tseung Kwan O and the Outlying Islands were already in whole-day operation ahead of schedule. However, in some built-up districts, it might take a longer time to achieve the target due to the lack of suitable sites. However, as the ultimate goal was to achieve 100% provision of whole-day primary schooling by 2007, these districts would progressively catch up with the target.

Primary One Admission system

13.10 Noting that some parents had supplied false addresses to ensure that their children would be allocated places in their preferred primary schools in districts other than their residential districts, Ms Audrey EU urged that such dishonest acts should be sanctioned under the Primary One Admission (POA) system. To provide sufficient warning to parents, she considered that the requirements and consequences of non-compliance should be stated explicitly in the application form. She also enquired about the penalty, if any, for reporting false addresses.

13.11 In reply, D of E advised that the prominent warning message printed on the application forms was meant to capture parents' attention. He reported that in a case detected last year, the primary one place secured under the

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discretionary admission was withdrawn. The applicant had to re-apply for a place under the central allocation exercise of the POA system.

Class size

13.12 Mr LEUNG Yiu-chung considered that a lower teacher-to-pupil ratio and whole-day primary schooling could enhance pupils' mental development. He further enquired about the target class size for secondary schools and possible measures to reduce existing class size.

13.13 While agreeing in principle that lowering the teacher-to-pupil ratio might help enhance the relationship between teachers and pupils, SEM stressed that the current priority was the conversion of all primary schools to whole-day operation by 2007. Thereafter, other measures could be explored to bring down the class size. As shown by findings of overseas research, the effects of small classes would only be obvious when classes were downsized to 20 or less. While such downsizing across the board might not be practicable under the present circumstances in Hong Kong, small class teaching or educational activities for low achievers or for language learning could be implemented. On the class size for secondary schools, SEM pointed out that a self-regulatory mechanism was in place. Some schools had admitted up to 45 students per class due to pressing demands while some other schools had been unable to enroll the target number of students. As regards moral education and life skills developments, SEM informed members that the Quality Education Fund had funded a number of successful projects which produced relevant course materials in these aspects.

Early childhood education

13.14 Given that the estimated number of kindergarten (KG) pupils in 2002-03 was 147 800 while the total number of KG places in 2001-02 was 218 928, Mr YEUNG Yiu-chung was concerned about the surplus supply of KG places and the measures, if any, to address the situation

13.15 In response, D of E advised that with the drop in birth rate and shift in population, under-enrolment and closure of KGs did occur. With a view to preventing the oversupply of KG places, the Education Department (ED) would advise the new KG operators about the supply of KG places in the districts concerned when these operators approached ED on matters related to school registration. To rationalize the situation, the ED would give priority to KGs

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applying to operate in districts with an identifiable demand and would also facilitate KGs with good track records to relocate to such districts.

13.16 Addressing Mr YEUNG Yiu-chung's concern about the basis of subsidy disbursement under the Kindergarten Subsidy Scheme (KSS), D of E confirmed that to cater for the decrease in the average class size of KGs participating in the KSS, the Administration had recently revised the basis of subsidy disbursement from one based on "class" to one based on "group" so as to ensure that resources were utilized more effectively and distributed more equitably.

Integrated education and student guidance

13.17 Members noted that at present, educational services for students with disabilities or learning difficulties were provided through integrated education in ordinary schools. Mr LEUNG Yiu-chung was gravely concerned about the burden on teachers which might compromise the quality of education for both ordinary students and those with a disability. He urged the Government to allocate more resources to support integrated education.

13.18 In response, SEM and D of E informed members that currently, about 100 schools had adopted integrated education and extra resources had been allocated to these schools. For every in-take of five to seven students with disabilities or learning difficulties, an additional resource teacher would be provided. For every eight or more such students, a resource teacher plus a learning support assistant would be provided.

13.19 Mr LEUNG Yiu-chung drew the Administration's attention to the increase in suicides committed by students and urged that the manning ratio of one school social worker per school should be improved with a view to strengthening guidance and counselling for students.

13.20 In reply, D of E advised that starting from the 2002-03 school year, student guidance service would be strengthened. Through a cash grant, all aided primary schools could procure guidance service or appoint individual student counsellors. As such, the counsellor to students ratio would be improved from 1:1660 to 1:950. In the long run, each public sector primary school would be assigned with a student counsellor. Under a pilot scheme, professional educational psychology services would be provided to 25 schools covering about

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2 000 to 4 000 students starting from September 2002. It was the Administration's plan to provide professional educational psychology services for 200 primary schools in five years' time. Furthermore, the ED would also consider expanding the Smart Teen Challenge Project, which was organized in collaboration with various disciplinary forces, with a view to enhancing students' self-discipline, confidence and resilience, in addition to extending the "Understanding Adolescent Project" to primary and secondary schools. In this regard, SEM advised that suicide was a social problem which had to be tackled from various fronts. Schools, families and the community had a part to play in fostering positive values about life among students.

School-based management

13.21 Ms Emily LAU was gravely concerned about the slow progress of school-based management initiatives, in particular the establishment of parent-teacher associations (PTAs). She asked about the financial resources allocated for promoting PTAs and how far the target of establishing PTAs had been achieved. Noting that the percentage of KGs with PTAs was only 17%, as compared with 85% for primary schools, 81% for secondary schools and 78% for special education schools, Ms LAU enquired if there were any specific difficulties in setting up PTAs in KGs

13.22 In response, SEM stressed that it was the Government's decided policy to promote home-school partnership in enhancing the quality of education. In general, there had been good progress in the establishment of PTAs and the increase in the number of PTAs among KGs was notable.

13.23 D of E further advised that parent education had been one of the key service areas of the ED in the past few years. A steering committee in promoting parent education, chaired by D of E, was set up and \$50 million had been earmarked for implementing various initiatives in the 2001-02 and 2002-03 school years. These activities included a comprehensive parent education programme comprising workplace-based parent education seminars and reference materials for parents, school social workers and other school workers. Regarding the overall target of setting up PTAs in all schools in the next five years, D of E said that the Administration remained confident in meeting the target. D of E shared Ms Emily LAU's view that parents' participation in school management should be encouraged. He also informed members that a bill was expected to be introduced within the current session to provide for the implementation of school-

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based management in aided schools.

13.24 As far as KGs were concerned, D of E said that the Administration and the Committee on Home-School Cooperation would continue to work closely and to facilitate the setting up of PTAs in KGs. He pointed out that in general, parents' commitment to KGs might be relatively low due to the short duration of two to three schooling years in KGs. To a certain extent, this might have hindered the formation of PTAs in KGs.

13.25 Concerning the induction training for newly appointed principals and training for school managers on the implementation of school-based management, Ms Audrey EU enquired about the cost-effectiveness of these training programmes, in particular the needs assessment and experience-sharing sessions.

13.26 In reply, D of E informed members that prior to taking up office, all newly appointed school principals were required to undergo a needs assessment and attend an induction programme comprising 11 modules. The modules essentially covered personnel and resources management, curriculum and education reform, staff development and legal matters. He said that the induction programme had provided the opportunity for mutual support and encouraged experience sharing among the school principals. As regards the training programme for school managers, it consisted of five experience-sharing sessions covering the concepts of school-based management, school planning and evaluation etc. The sessions were well received with more than 80% of the school managers attending the training on week-ends. D of E confirmed that \$240,000 had been earmarked to support these needs assessment and experience-sharing training programmes in 2002-03.

Native-speaking English Teacher (NET) Scheme

13.27 Ms Emily LAU was pleased to note that with effect from 2002-03, the NET Scheme would be extended to primary schools. However, as learning a foreign language should start at an early age, she was gravely concerned that only 360 NETs would be recruited for 800 primary schools. She called for one NET for each primary school and enquired about the additional resources required for implementing this improvement.

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13.28 On the provision of NETs to primary schools, D of E explained that each NET would support two partner primary schools. Hence, the current 700 public sector primary schools would be covered by about 350 NETs. In the longer term, each public sector primary school would be assigned one NET and an additional \$200 million would be required for this purpose. Regarding the appointment of more than one NET by some public sector secondary schools, D of E pointed out that depending on their needs, some schools had been able to engage an additional NET by re-deploying resources such as by offsetting the post of a local English teacher with a NET.

13.29 Noting that about 100 vacancies for secondary school NETs had arisen from natural wastage, Ms LAU considered it crucial that the schools concerned should take active measures to retain the NETs by promoting their sense of belonging and facilitating their integration into the schools. She also enquired about the present position of the recruitment of NETs.

13.30 In reply, D or E advised that out of the 1 852 applicants for primary school NETs, 800 to 1 000 would be short-listed for interview by the selection board comprising school principals and ED staff. The interviews would be held by end April 2002 in the applicants' places of origins such as the UK, Australia and Canada. The selection board for secondary school NETs had just interviewed the short-listed candidates and the results would be available soon. To ensure that appointment would only be offered to those candidates who had a genuine interest and commitment in teaching English in Hong Kong, the selection board had been very careful in the selection of NETs. Regarding concerns about NETs' integration and participation in school affairs, D of E pointed out that difficulties about integration were not common although there had been occasional reports on cases in which NETs had difficulties in participating in internal school meetings as the meetings were conducted in Cantonese and no interpretation was provided for the NETs.

13.31 Noting that HKIEd had completed the evaluation on the effectiveness of the NET Scheme, Ms Emily LAU enquired about the findings and sought clarification on whether participating schools of the NET Scheme had also conducted their own evaluation.

13.32 In reply, D of E said that the evaluation report of HKIEd had confirmed the effectiveness of the NET Scheme in secondary schools and recommended its extension to primary schools starting from the 2002-03 school

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year. Nevertheless, the report also recommended more collaborative teachings by local English teachers and NETs to facilitate teaching methodology transfer. A teaching advisory team comprising 20 local native-speaking English teachers would be formed to support the NET Scheme to be implemented in primary schools. For the NET Scheme to be launched in primary schools, participating schools would be required to monitor its effectiveness and to report to ED at the end of each school year.

13.33 SEM further advised that since the use of English in primary school was relatively limited, the allocation of one NET per two primary schools backed up by advisory teaching teams was considered more effective deployment of resources. Nevertheless, she pointed out that 360 NETs was a recruitment target. If there were more qualified candidates, ED could consider recruiting more NETs. She added that many primary schools would prefer an English Language Teaching Assistant to a NET as the former could be deployed to assist the local English teachers on curriculum development and facilitate the creation of an English speaking environment in the schools.

Educational research

13.34 As educational research was important for formulation of educational policies or reform measures, Mr Jasper TSANG enquired whether annual provision was earmarked for this area of work. In reply, SEM agreed that research studies were required from time to time for major reform measures such as the effectiveness of the allocation system of school places, the impact on teaching and learning following the abolition of Academic Aptitude Test. On the funding arrangements, the Administration would first ascertain the need for commissioning consultancy studies and then draw up the proposed scope of study. Where appropriate, it would seek the Finance Committee's approval for the necessary funding commitment for undertaking the studies.

Inspection of unregistered schools

13.35 On combating malpractices of private schools and tutorial schools, Mr IP Kwok-him was concerned that only eight cases out of a total of 260 warning letters issued to unregistered schools in 2000-01 were referred to the Police for prosecution. In response, D of E explained that upon receipt of warning letters, some of these unregistered schools had ceased operation or re-applied for registration. Hence, prosecution had not been taken out against all of

them.

Manpower

Unemployment and redundancy

13.36 Ms Emily LAU pointed out that despite the Chief Executive's pledge in his 2001 Policy Address, the job opportunities which would be created fell far short of the target of 30 000. She also referred to the consensus reached by the Legislative Council's Cross Party Coalition (the Coalition) that an additional 20 000 job opportunities should be created, and enquired on the Administration's measures and the resources allocated for tackling the worsening unemployment problem.

13.37 In response, SEM assured members that the Administration was equally concerned about the unemployment problem and was actively addressing the problem from different fronts. A survey on new job opportunities available within the Government was conducted in late January 2002 and would be updated in late March 2002. SEM undertook to report the results of the survey and the progress in creating new posts to Members in due course. Nevertheless, she pointed out that the impetus for creating new jobs should come from the private sector. Employment opportunities would improve if the economy of Hong Kong picked up as a whole. Against this background, the Administration was seeking to promote the development of local community economy which could in turn create employment.

13.38 Referring to a rising trend of redundancies in the private sector, Mr LAU Chin-shek enquired whether the Administration would play an active role in stabilizing the employment market. In reply, SEM explained that while it was a matter for individual companies to decide on their employment size, the Administration had all along persuaded companies not to resort to lay-off too readily. Nevertheless, the Labour Department (LD) provided assistance to staff affected by redundancies. Responding to Mr LEE Cheuk-yan's reference to a recent redundancy case where the employees had not been consulted, SEM advised that as she was aware, a consultation mechanism was in place in the company concerned. The Labour Relations Division of LD had all along spared no effort in promoting harmonious employer-employee relations and would continue to step up its work.

Re-employment Pilot Programme for the Middle-aged

13.39 Noting that \$400 million had been earmarked to implement a two-year scheme to provide on-the-job training for young people, Mr LEUNG Yiu-chung was concerned whether the proposed provision for another scheme, namely the Re-employment Pilot Programme for the Middle-aged (the Programme), was adequate by comparison. Having regard that the demand far exceeded the available places, he asked whether more resources would be allocated for the Programme.

13.40 In response, the Commissioner for Labour (C for L) advised that the target of the Programme was to help about 2 000 middle-aged unemployed persons to find employment in its first year of operation. Among the 10 024 eligible job-seekers who joined the Programme, 2 588 were placed into employment and the placement rate was 25.8%. She confirmed that the Programme would be extended for another 12 months to provide long-term unemployed persons aged 40 or above with one-stop counselling and placement service. In addition, LD would ensure that service would be available to all middle-aged persons who were interested in joining the Programme.

13.41 In this connection, Mr LEE Cheuk-yan considered the placement rate of 25.8% relatively low and queried whether this was due to age discrimination and the labelling effect of the Programme. He further asked whether the Administration would consider introducing legislation against age discrimination so as to ensure equal opportunities for middle-aged job-seekers. In response, SEM said that age might not be the only consideration in the recruitment of staff as many other factors such as skills and attitude would also be taken into account. As such, high unemployment among middle-aged persons might not necessarily be due to age discrimination. As an opinion survey on tackling age discrimination in employment was underway, she undertook to report the outcome of the survey to the Panel on Manpower in due course.

Youth Work Experience and Training Scheme

13.42 Mr Kenneth TING supported the proposed two-year Youth Work Experience and Training Scheme (YWETS) and enquired whether the YWETS would aim at providing on-the-job training solely to school leavers with no working experience. He also highlighted the need for the Administration to consult relevant trade and business associations on the needs of the market. In

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reply, SEM confirmed that the YWETS aimed at improving the employability of young people aged between 15 and 24 with educational attainment below degree level and would cover both fresh school leavers and young people with some working experience. She assured members that in implementing the Scheme, LD would maintain close liaison with employers' and business groups.

13.43 Ms LI Fung-ying was concerned about possible duplication of resources between the proposed YWETS, the existing Youth Pre-employment Training Programme (YPTP) and the Apprenticeship Scheme, and asked whether the various schemes could be merged. In response, SEM advised that the on-the-job training component of the YPTP would be suspended for the next two years during the implementation of the YWETS and YPTP participants would be re-directed to receive on-the-job training under the YWETS. The Apprenticeship Scheme, on the other hand, was to ensure that all registered apprentices under the Apprenticeship Ordinance would receive proper training and related technical education. As their objectives, monitoring mechanism and scope were different, the Administration did not consider it appropriate to merge the different schemes.

Loan scheme for work-related injuries

13.44 Noting that as at end February 2002, only a total of 27 loans were approved in 2001-02 under the Loan Scheme for Employees Injured at Work and Dependents of Deceased Employees, Mr LAU Chin-shek questioned the adequacy of publicity work and asked whether the application requirements were too stringent. C for L assured members that once the employees injured at work or the dependents of deceased employees approached LD, they would be informed of this Loan Scheme and the relevant application procedures. Nevertheless, if the employees and the dependents concerned could receive their statutory or common law compensation, it might not be necessary for them to apply for assistance under the Loan Scheme.

Consultancy studies

13.45 Referring to the consultancy studies commissioned in the policy areas of education and manpower, Ms Emily LAU expressed concern about their cost effectiveness and usefulness. In response, SEM pointed out that independent consultancy studies were essential in providing the necessary input in the policy making process. Results of the studies would usually be released to the public or provided to the relevant advisory committees for consideration.

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13.46 On whether the studies could be undertaken by serving civil servants, SEM advised that as civil servants might not have the necessary expertise in the subject matters and that the need for studies might arise on an ad-hoc basis, it would not be cost-effective and flexible to employ civil servants to conduct the studies. Regarding the input, if any, by the Central Policy Unit, SEM said that owing to manpower constraint, the Central Policy Unit was unable to cater for the needs of individual bureaux and departments for studies or research projects.

Manpower projection survey

13.47 Referring to the manpower projection survey to be conducted by EMB, Mr James TIEN enquired whether the survey also covered the projection of redundant manpower. In response, SEM advised that the manpower projection survey in question was primarily an update of the "Report of Manpower Projection to 2005" last published in 2000 to enquire selected companies about the increase or decrease in the number of staff. According to the last Report published in 2000, there would be a shortage of manpower at the tertiary educational level by some 110 000 while there would be a surplus of some 135 000 workers with low skills and educational attainment. The result of the survey would provide the Administration with the broad direction for future manpower planning.

Staffing establishment of Labour Department

13.48 In response to members' enquiries about LD's deletion of 16 posts of Occupational Safety Officers and one post of Labour Officer in 2002-03, the Deputy Commissioner for Labour (Occupational Safety and Health) (DC for L(OSH)) and C for L respectively advised that the posts in question would be deleted as part of the department's Enhanced Productivity Programme (EPP) and existing services would not be affected. They also confirmed that the deletion of the aforesaid posts was not for the purpose of offsetting the increase in manpower in other Divisions of the LD. The Deputy Secretary for the Treasury also supplemented that the deployment of manpower resources was determined by the department concerned having regard mainly to its operational needs.

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13.49 Referring to the five posts to be deleted in the programme area of labour relations under the 2002-03 EPP to streamline establishment structure and improve service efficiency, Mr CHAN Kwok-keung asked whether LD would need to create new posts if an additional 20 000 job opportunities were created as urged by Members earlier on. In reply, C for L said that LD would cope with the extra workload by internal redeployment and redistribution of duties and no additional posts would be required. Mr CHAN further asked whether LD would need to create new posts of Labour Inspectors (LI) for enforcement and related purposes. C of L confirmed that no additional LI posts would be required as the increase in enforcement duties could be met by adjusting the inspection strategy.

13.50 Referring to the financial provision to be allocated for improving the conciliation service of LD, the Deputy Commissioner for Labour (Labour Administration) advised that a total of \$2.83 million had been earmarked for this purpose. This included the costs required for creating seven posts of Assistant Labour Officer I to provide conciliation service and engaging an additional seven contract staff for advisory service.

Vocational Training Council

13.51 Noting that starting from 2002-03, the Vocational Training Council (VTC) would run nine full-time two-year Higher Diploma (HD) courses for Secondary 7 graduates, Miss CHAN Yuen-han sought assurance on the relevancy of the courses to market needs. In response, the Executive Director, Vocational Training Council (ED, VTC) advised that the Institute of Vocational Education (IVE) adopted a vigorous course planning process to ensure that IVE courses were effective and relevant. For each new course to be introduced, the relevant teaching department had to first conduct a feasibility study to consider whether there was a demand for such a course. The results of the feasibility study would then be submitted to the relevant Course Board and Discipline Board for consideration. The respective Discipline Boards comprised representatives from higher education institutions, the related industry and profession. In addition, the deputy chairmen of the Discipline Boards were also the chairmen of the respective Training Boards. All these external members provided valuable input and advice on the courses offered by IVE. ED, VTC considered that generally speaking, the HD programmes of VTC were able to respond to market needs since the placement rate of their graduates was over 80%.

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13.52 Miss CHAN Yuen-han noted that courses on logistics, financial services, China business and tourism would be eligible for subsidy under the \$5 billion Continuing Education Fund as they were conducive to the economic development of Hong Kong. She thus questioned whether comparable courses were offered by the IVE to meet Hong Kong's needs. ED, VTC responded in the affirmative and referred members to the Transport and Logistics Studies offered by the Hong Kong Institute of Vocational Education (Tsing Yi) and the China Business Practices offered by the Hong Kong Institute of Vocational Education (Haking Wong) as some examples.

13.53 Miss CHAN Yuen-han was concerned that the IVE might be targeting its resources to provide training for Secondary 7 graduates while neglecting the training needs of Secondary 5 school leavers. In reply to her enquiry, SEM advised that about 80 000 students completed Secondary 5 each year. In 2001-02, about 60% of them could not continue their studies in Secondary 6. Among the 30 369 students admitted by IVE in 2001-02, 21 430 had completed Secondary 5. As such, the Administration considered the proportion of Secondary 5 graduates admitted by IVE reasonable. In this regard, Miss CHAN reiterated her view that while IVE could cater for students who had completed Secondary 7, the bulk of its intake should be Secondary 5 graduates.

Employees Retraining Board

13.54 Regarding the loan applications to the banks/financial institutions participating in the Self-employment Business Start-up Assistance Scheme, the Executive Director, Employees Retraining Board (ED, ERB) informed members that so far, 18 applications had been approved in principle, which meant the applicants' business start-up plans had been approved by the banks/financial institutions and the loan could be granted to them subject to the launch of the relevant business. Based on the average of \$96,000 for each approved loan, the total loan amount would be about \$1,728,000.

13.55 On the courses run by the ERB and other subvented course-providers, Ms Emily LAU requested for a breakdown of the average cost for a full-time course retrainee. In response, ED, ERB advised that the average duration of each full-time course was 12 days and a retrainee would receive not more than \$1,845.60 upon completion of a full-time course. However, a retrainee was not allowed to take more than two full-time courses in a year or more than four full-time courses in three years with training allowances. To be

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eligible for a daily allowance of \$153.80, the attendance rate of a retrainee must be over 80%. On average, the cost for a full-time course retrainee was \$6,285 inclusive of the daily allowance, tutor fees and other overhead costs.

13.56 Ms Emily LAU queried why there were different unit costs (\$5,318 and \$5,782) and placement rates (90% and 82%) for the tailor-made in-service training courses offered by the ERB. In response, ED, ERB explained that the differences in unit costs and placement rates were mainly because they were derived from different bases. A higher unit cost (\$5,782) was incurred for tailor-made in-service training courses for certain trades where the employers sought to import labour under the Supplementary Labour Scheme as there was a requirement to run courses specifically designed for local workers and to pay them a special on-the-job training allowance. A lower placement rate (82%) was registered for this type of tailor-made in-service training courses as some of the jobs concerned (such as pig raising) were not popular choices due to their unpleasant nature and long working hours. Hence, not all the workers who had completed the retraining courses would take up employment in these trades.

13.57 On the average placement rate (79%) of retrainees who had completed placement-tied full-time courses during the period 1 April 2001 to 31 August 2001, ED, ERB elaborated that a person would be taken as successfully placed once he accepted a job. This criterion, which was also used by the Census and Statistics Department, was in line with international practice. ERB would also conduct placement audits for monitoring purposes. Apart from placement rate, the retention rate of retrainees was another important indicator. As over 70% of the retrainees were found to be remaining in employment nine months after their placement, ED, ERB considered the 70% placement rate realistic and reasonable.

13.58 On Ms Emily LAU's concern about the cost-effectiveness of the employee retraining courses, ED, ERB said that every year, about 35 000 retrainees out of the 50 000 retrainees who had received full-time retraining were successfully placed. If these persons had not received retraining and took up employment, they might need to rely on Comprehensive Social Security Assistance for their livelihood. The provision of retraining could therefore improve people's employability and reduce their reliance on assistance from the Government. For the purpose of determining the unemployment rate, SEM said that a retrainee who was taking a full-time course would not be considered as unemployed while a retrainee taking a part-time course and seeking a job would

be considered as unemployed.

Manpower Development Committee

13.59 Noting the Administration's proposal to set up a Manpower Development Committee (MDC) in 2003 following a review of the existing organizational set-up and service delivery model of vocational training and retraining in Hong Kong, Mr LEUNG Yiu-chung enquired about the future staffing establishment of MDC, and whether consideration would be given to setting up the MDC as a statutory body, instead of an advisory body.

13.60 In reply, SEM advised that bodies tendering advice to the Government and allocating funding might not necessarily be statutory bodies, an example being the University Grants Committee (UGC). She explained that the VTC and the ERB had been given statutory status because as legal entities, they needed to enter into a number of legally binding contracts/agreements with other parties. Their functions were thus different from that of the MDC. On the staffing establishment of MDC, SEM said that it had yet to be finalized. She explained that as the advisory and quality assurance functions currently performed by VTC would be absorbed by MDC in future, VTC staff currently responsible for these areas of work would be transferred to MDC. Teaching staff would remain in VTC which would continue its role as a training provider. In addition, existing staff of ERB could be absorbed by MDC as some of the functions of ERB would be transferred to MDC once it was established.