

**立法會**  
**Legislative Council**

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(These minutes have been  
seen by the Administration)

Ref : CB2/PL/ED

**Panel on Education**

**Minutes of special meeting  
held on Monday, 20 June 2005 at 8:30 am  
in the Chamber of the Legislative Council Building**

- Members present** : Dr Hon YEUNG Sum (Chairman)  
Hon Audrey EU Yuet-mee, SC, JP (Deputy Chairman)  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon CHEUNG Man-kwong  
Hon LEUNG Yiu-chung  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon Patrick LAU Sau-shing, SBS, JP
- Member absent** : Hon MA Lik, JP
- Public Officers attending** : Item I  
Professor Arthur LI, GBS, JP  
Secretary for Education and Manpower  
  
Ms Irene YOUNG  
Principal Assistant Secretary (Higher Education)  
  
Mr Michael STONE, JP  
Secretary-General, University Grants Committee

Item II

Professor Arthur LI, GBS, JP  
Secretary for Education and Manpower

Mr CHENG Yan-chee, JP  
Deputy Secretary for Education and Manpower (4)

**Clerk in attendance** : Miss Flora TAI  
Chief Council Secretary (2)2

**Staff in attendance** : Mr Stanley MA  
Senior Council Secretary (2)6

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**I. Second Matching Grant Scheme for University Grants Committee-funded Institutions**

The Secretary for Education and Manpower (SEM) briefed members on the Administration's proposal to introduce a \$1 billion Second Matching Grant Scheme (the Second Scheme) for matching private donations secured by University Grants Committee (UGC)-funded institutions [LC Paper No. CB(2)1915/04-05(01)].

2. The Chairman informed the meeting that the Administration intended to submit the proposal to the Finance Committee (FC) of the Legislative Council (LegCo) for consideration at its meeting on 8 July 2005. Subject to the approval of FC, the Second Scheme would take effect from 1 August 2005.

Operating terms and conditions

*Duration of the Second Scheme*

3. Responding to Mr CHEUNG Man-kwong and Mr Jasper TSANG, SEM confirmed that the Second Scheme would follow the broad operating principles of the First Matching Grant Scheme (the First Scheme) under which a guaranteed minimum amount (i.e. a floor) of \$45 million would be provided and an upper limit (i.e. a ceiling) of \$250 million for matching by each institution would apply.

4. Mr CHEUNG Man-kwong noted that the Second Scheme, if approved by FC on 8 July 2005, would be open for application from 1 August 2005 to 28 February 2006. He pointed out that some UGC-funded institutions considered that the duration of seven months for institutions to secure private

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donations was much shorter than the 18-month duration provided under the First Scheme. He asked whether the unmatched funds under the Second Scheme would be returned to the Treasury after the deadline of 28 February 2006, and if so, whether the Administration would consider extending the duration of the Second Scheme.

5. SEM responded that the deadline of application for matching grants under the Second Scheme was set at the end of February 2006 so that funds could all be disbursed by the close of the financial year on 31 March 2006. He pointed out that when the First Scheme was proposed, heads of UGC-funded institutions had expressed reservations about soliciting private donations as the philanthropic culture in the community was not so strong at that time. After the implementation of the First Scheme, the higher education sector as a whole was more receptive to fund-raising. In fact, institutions had requested the Administration to introduce the Second Scheme as soon as practicable. The Administration was confident that institutions were well prepared in solicitation of private funds for the Second Scheme.

6. Mr CHEUNG Man-kwong remarked that UGC-funded institutions with a shorter history and fewer alumni might have difficulty in securing private donations above the guaranteed minimum amount of \$45 million. He opined that even given a period of 18 months for fund-raising under the First Scheme, an institution was still unable to secure private donations up to the guaranteed minimum. He considered that the Financial Secretary should be requested to consider allowing a longer time for institutions to secure private donations for matching under the Second Scheme. Dr Fernando CHEUNG expressed a similar concern. He considered that institutions should be provided with a period of at least 12 months to secure private donations.

7. SEM explained that additional funds would need to be earmarked for such purpose if the duration of the Second Scheme was extended beyond the 2005-06 financial year. It would be more appropriate to see if the institutions had actually encountered difficulties in raising funds nearer the deadline, and review the duration of the Scheme then if necessary.

8. Secretary General, University Grants Committee (SG(UGC)) added that the criteria for provision of matching grants under the Second Scheme had been relaxed quite significantly. The matching grants could be used to offer scholarships for meritorious non-local students and could be matched with donations for the construction of buildings on campus as long as the grants were used on activities within the ambit of UGC recurrent grants or scholarships. These relaxations would facilitate fund-raising activities of institutions.

9. Ms Audrey EU asked why only new donations pledged and paid to the institutions after the effective date of 1 August 2005 and before the end of February 2006 were eligible for matching grants.

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10. SG(UGC) explained that the funding for the Second Scheme came from savings in the overall operating expenditure envelope under SEM's purview, and was not a long-term commitment. The deadline of application for matching grants was set at 28 February 2006 so that funds could all be disbursed by the close of the financial year on 31 March 2006.

11. Mr Jasper TSANG asked whether a period of six months was specified for matching of the guaranteed minimum by each institution under the First Scheme. SEM responded that the same period was set under the First Scheme.

*Accountability and transparency in the use of donations and grants*

12. Ms Emily LAU asked how the Administration would enhance accountability and transparency of the use of the private donations and matching grants by UGC-funded institutions. She considered that the Administration should encourage institutions to set out the guidelines and procedures for solicitation and use of private donations and make these guidelines and procedures available for public access.

13. SEM responded that UGC-funded institutions enjoyed a high degree of autonomy in the use of private donations within the ambit of their recurrent grants. He pointed out that institutions were accountable to the Administration and UGC for the use of public funds, and accountable to the donors for the use of private donations. Under the matching grant scheme, institutions were required to use the grants on activities within the ambit of UGC recurrent grants or scholarships.

14. Ms Emily LAU considered that institutions should keep the public informed about the use of private donations to enhance transparency and institutional accountability. She asked whether the Administration had formulated a policy on the matter, or requested institutions to set out their policies and procedures for solicitation and use of private donations.

15. SEM responded that the Administration did not have a policy to regulate the use of private donations secured by UGC-funded institutions. He pointed out that institutions would use the donations in accordance with the legislation, internal guidelines and the donors' wishes. The Administration would not interfere with the relationship between institutions and donors, and the solicitation and use of donations by institutions. Principal Assistant Secretary (Higher Education) (PAS(HE)) supplemented that institutions had been asked to publish details of the private donations received and expended in their annual reports for public scrutiny.

16. Ms Emily LAU said that in response to her question raised at the Council meeting on 20 December 2000 on the use of private donations by the University

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of Hong Kong, the Administration said that it was considered unnecessary and inappropriate to interfere with the use of private donations by the institutions. She considered that the Administration should have provided details on the use of private donations in its reply for members' information, given that institutions would publish the details in their annual reports anyway.

17. SG(UGC) explained that under the First Scheme, UGC-funded institutions were required to use both the donations and the matching grants on activities within the ambit of UGC recurrent grant, as well as to record their donations and publish the details in the audited accounts in their annual reports. Mrs Selina CHOW remarked that she respected the autonomy of institutions in the use of private donations, but considered that the Administration had been too conservative in the disclosure of the information on the use of private donations by institutions. She opined that since the information was open to the public, the Administration should have provided it to LegCo Members.

18. Ms Audrey EU asked whether UGC would approve the provision of matching grants for private donations which would not be used by institutions in accordance with their roles in the UGC sector. SG(UGC) responded that institutions had agreed with UGC their roles in the provision of higher education. UGC was confident that institutions would work towards the fulfillment of their roles and would not accept private donations which required them to engage in research or development work in deviation from their roles.

*Scholarship for internationalisation and construction of buildings on campus*

19. Ms Emily LAU said that in principle she did not object to the use of the matching grants to offer scholarships for meritorious non-local students. She asked whether a quota would be set for the provision of scholarships to non-local students.

20. SEM responded that enrolment of non-local students in UGC-funded institutions was restricted to not more than 10% of the total publicly-funded places. Non-local students who were awarded with scholarships funded by private donations or matching grants would be included in the 10% quota.

21. Ms Emily LAU expressed support for the provision of additional hostel places in UGC-funded institutions in order to provide a well-rounded education for local students and to accommodate non-local students under exchange programmes. However, institutions should plan and ensure cost-effective utilisation of the hostel places.

22. Dr Fernando CHEUNG expressed support for providing scholarships to attract high calibre students from other places such as New Zealand, Australia and East Asian countries. He, however, pointed out that about 90% of the current enrolment of non-local students in some UGC-funded institutions came

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from the Mainland. He considered that the Administration should assist institutions in enrolment of more non-local students from other countries.

23. SEM responded that Hong Kong had the potential and the suitable conditions to attract non-local students. Experience in overseas countries had suggested that providing scholarship was an effective means to attract high calibre students. He envisaged that the use of matching grants to provide scholarships to non-local students on the basis of their academic achievements would enhance enrolment of non-local students from different places.

24. Mr Patrick LAU asked whether the relaxation on matching of private donations for the construction of buildings on campus under the Second Scheme was intended to supplement the need for additional buildings and facilities for the implementation of four-year undergraduate programmes under the new academic structure for higher education.

25. SEM responded that the Administration had proposed to invest altogether \$3.5 billion and \$4.4 billion to meet the capital works and non-recurrent costs respectively for implementation of the new academic structure for senior secondary and higher education. The relaxation under the Second Scheme aimed to facilitate campus development of the institutions, having regard to their long-term plans which might go beyond the basic requirements in support of the new academic structure for higher education.

26. Mr CHEUNG Man-kwong expressed understanding of the need to provide scholarships and hostel places to attract non-local students with good academic achievements to study in Hong Kong. He hoped that institutions would make use of the private donations and the matching grants to attract students from target countries. He, however, cautioned that institutions should balance the interests of local and non-local students on provision of hostel places in their attempt to facilitate internationalisation.

27. SEM responded that institutions should have autonomy in the use of private donations and matching grants to attract non-local students by the provision of scholarships. As successful enrolment of non-local students from different countries would depend on a number of factors, institutions would exercise flexibility in enrolment of non-local students.

28. Mrs Selina CHOW said that the Liberal Party supported the policy on internationalisation of the student body in the higher education sector. She had confidence that universities in Hong Kong were capable of attracting non-local students with outstanding academic achievements to study in Hong Kong. She suggested that UGC should collaborate with institutions to conduct recruitment activities in overseas places with a large number of target students.

29. SG(UGC) responded that UGC had allocated a grant of \$5 million for

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institutions to develop the necessary infrastructure for internationalisation, which could include appointing overseas agents to facilitate recruitment and provide logistical support for non-local students to study in Hong Kong. Institutions should have developed their capabilities and strategies for enhancing recruitment of non-local students from specific countries for internationalisation of their student bodies. SG(UGC) added that students from the Mainland had demonstrated their academic and intellectual caliber, and were able to interact with local students in harmonious ways.

*Self-financing programmes*

30. Mr CHEUNG Man-kwong considered it unfair to sub-degree students that neither the private donations nor the matching grants could be used for self-financing programmes. He considered that institutions should be allowed to use donations and grants to subsidise students of sub-degree programmes for the use of university libraries and facilities such as swimming pools.

31. SG(UGC) responded that university libraries and facilities were constructed and operated by way of public funds. He pointed out that the use of private donations and matching grants to subsidise students engaging in self-financing programmes for such purposes was a complicated issue, the ramifications of which would need to be carefully considered. UGC had to be fair to other providers not affiliated to any UGC-funded institution.

32. Ms Emily LAU remarked that UGC should discuss with institutions the use of private donations to subsidise students enrolled in self-financing sub-degree programmes for their use of university libraries and facilities. SG(UGC) reiterated the issues that would arise if this were permitted but undertook to explore the feasibility of allowing the use of the private donations on self-financing activities when considering the ground rules for any future matching grant scheme that might take place.

Impact and long-term development of matching grant scheme

*Impact of the matching grant schemes*

33. Mr Jasper TSANG and Ms Emily LAU asked about the distribution of the \$1 billion matching grant to UGC-funded institutions under the First Scheme.

34. PAS (HE) responded that the matching grants allocated to the University of Hong Kong, the Chinese University of Hong Kong, the Polytechnic University, the Hong Kong University of Science and Technology, the Baptist University and the Hong Kong Institute of Education (HKIEd) were \$250 million, \$228 million, \$201 million, \$131 million, \$79 million and \$21 million respectively. The City University of Hong Kong and the Lingnan University were granted \$45 million each.

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35. Ms Audrey EU asked whether the provision of matching grants would continue to be funded by efficiency savings in the UGC sector. If so, she expressed concern that small institutions with a shorter history might be in a less advantaged position to compete for private donations and eventually would be forced to merge with another institution, or operate more programmes which were commercially-driven instead of academically-driven. Dr Fernando CHEUNG and Mr LEUNG Yiu-chung expressed a similar concern.

36. SEM responded that the First Scheme was funded by efficiency savings. The UGC sector had experienced a 10% reduction in recurrent funding (about \$1.1 billion) in the 2004-05 academic year. However, as a result of the implementation of the First Scheme, the UGC sector had received private donations and matching grants amounting to about \$1.3 billion and \$1 billion respectively. He added that the proportion of the private donations to their annual recurrent budgets secured by small institutions with a shorter history were larger than those of the large institutions.

37. Referring to the less advantaged position of small institutions to compete for private donations, Mr LEUNG Yiu-chung and Ms Emily LAU urged the Administration to consider the history of HKIEd in the provision of teacher education and provide sufficient resources for HKIEd to fulfil its role in enhancing quality of teachers in the long run.

38. SG(UGC) responded that the matching grant was provided on top of the recurrent funding. Recurrent funding was allocated to UGC-funded institutions on the basis of their student number targets. UGC considered that the current level of recurrent funding was adequate for institutions to perform their roles in the higher education sector.

39. SEM said that the reduction of funding for the UGC sector in the 2004-05 academic year aimed to improve management efficiency in the institutions. Given the budgetary constraints, the higher education sector as a whole should change the conventional mindset and culture of relying solely on the public purse. SEM considered that in the interest of the long-term development of higher education, institutions should endeavour to diversify their funding source as their overseas counterparts had done. He pointed out that local students were now subsidised at about 82% of the overall student unit cost of UGC-funded programmes, while students in the United States and the United Kingdom were subsidised at about 60% of the student unit costs.

40. Mr LEUNG Yiu-chung considered that the provision of matching grants might drive institutions to operate more programmes which were able to attract private donations, and eventually reduced diversity in higher education in the long term. He asked whether the Administration would monitor the provision of the undergraduate programmes offered by UGC-funded institutions.

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41. SEM responded that UGC-funded institutions had their roles in the higher education sector and were provided with sufficient funding to meet their recurrent needs. The Administration was confident that institutions would continue to develop their academic strengths and offer programmes in the light of their roles and missions in the provision of higher education in Hong Kong.

*Long-term policy for matching grant scheme*

42. Dr Fernando CHEUNG considered that the Government should raise the ceiling for tax-exempted donations to encourage more private donations. He pointed out that only 18% of local students of the appropriate age group had access to university education, which was far from satisfactory when compared with those of the advanced countries.

43. SEM responded that apart from the 14 500 first-year-first-degree places, 840 second-year and 840 third-year undergraduate places would be available in the 2005-06 and 2006-07 academic years for direct entry of sub-degree graduates. He added that currently 57% of secondary school leavers had access to post-secondary education.

44. Ms Emily LAU expressed support for raising the ceiling for tax-exempted donations to encourage private donations. She also suggested that the Administration should consider the award of honour or medals to donors to encourage private donations in education.

45. SEM responded that the Financial Secretary had increased the deduction ceiling for charitable donations under profits tax and salaries tax from 10% to 25% of assessable income or profits in the 2003-04 Budget. The Administration would re-consider the issue in view of members' views.

46. Mr Jasper TSANG asked whether the Administration would consider the provision of matching grants to UGC-funded institutions on a recurrent basis.

47. SEM responded that the First and Second Schemes were provided on top of the recurrent funding grant to UGC-funded institutions. Provision of matching grant on a recurrent basis would be tantamount to an increase of recurrent grant to the UGC sector, and should be considered in an overall review of education funding. He added that the results of the First and Second Schemes would provide a basis for considering whether there were justifications for operating further matching grant schemes in the future.

48. Mrs Selina CHOW considered that providing matching grants for private donations was an effective way of helping UGC-funded institutions diversify their funding sources and would benefit the community as a whole. Given the successful debut of the First Scheme, the Administration should provide more

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flexibility to institutions in solicitation of private donations and consider the development of a long-term policy on the provision of matching grants. She suggested that the Administration should aim to foster a philanthropic culture so that more private sector resources would be diverted to support the long-term development of institutions in the context of their specific roles and niche areas. She considered that matching grant should be provided on a recurrent basis.

49. The Chairman shared the view of Mrs Selina CHOW that continued operation of the matching grant scheme would help promote a philanthropic culture of making private donations to higher education. He urged the Administration to consider members' views on the long-term operation of matching grant scheme. He added that members in general supported the Second Scheme and the development of a long-term policy on the provision of matching grants to institutions.

50. SEM responded that education resources were budgeted on annual basis. EMB would have to determine the continued operation of the matching grant scheme in the light of the efficiency savings available. Mrs Selina CHOW remarked that the Chief Executive, the Financial Secretary and the Secretary for Financial Service and the Treasury should deliberate on the financial implications of providing the matching grant scheme on a recurrent basis and formulate a long-term policy accordingly.

Follow-up

51. Members agreed that the Chairman should write to the Financial Secretary requesting the Administration to consider extending the duration of the Second Scheme, providing matching grants on a recurrent basis, and raising the ceiling for tax-exempted donations to encourage private donations.

**II. Early retirement scheme for aided secondary school teachers**

52. Deputy Secretary for Education and Manpower (4) (DS(EM)4) briefed members on the Administration's proposal to set up an Early Retirement Scheme for aided secondary school teachers as detailed in its paper [LC Paper No. CB(2)1915/04-05(02)]. He added that the Administration intended to submit the proposal to FC for consideration at its meeting on 8 July 2005.

Implementation and eligibility

53. Mr Tommy CHEUNG said that the Liberal Party supported the proposed Early Retirement Scheme for aided secondary school teachers. He sought clarifications about the implementation of the Early Retirement Scheme for aided secondary school teachers.

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54. DS(EM)4 responded that the proposed Early Retirement Scheme for aided secondary school teachers would be implemented for three years from the 2006-07 to 2008-09 school years. However, with sufficient justifications and school support, some teachers might be allowed to retire early in the 2005-06 school year.

55. Mr Tommy CHEUNG asked whether the proposed Early Retirement Scheme for aided secondary school teachers was identical with the Early Retirement Scheme for aided primary school teachers

56. DS(EM)4 responded that the proposed Early Retirement Scheme for aided secondary school teachers was similar to the Early Retirement Scheme for aided primary school teachers with the exception of an additional requirement on school. He explained that the School Management Committee (SMC) or the Incorporated Management Committee (IMC) of an aided school was required to submit a three-year manpower development plan in support of its nominations for the teacher applications for early retirement to the Education and Manpower Bureau (EMB) for approval.

57. Mr Tommy CHEUNG asked whether teachers in aided secondary schools which would not have surplus teachers before the 2009-10 school year were eligible for early retirement under the proposed Early Retirement Scheme. Ms Emily LAU also asked why non-teaching staff were not eligible for the Scheme.

58. DS(EM)4 responded that eligible teachers in secondary schools without the problem of surplus teachers could also apply for early retirement under the proposed Early Retirement Scheme. He explained that one of the objectives of the Scheme was to facilitate schools to resolve the subject mismatch of teachers arising from implementation of the new senior secondary curriculum. To facilitate planning and manpower deployment, School Sponsoring Bodies would be allowed to submit one three-year manpower development plan in respect of the schools they operated. EMB would consider applications for early retirement in the light of the manpower requirements of the schools concerned as well as the overall supply and demand of teachers on a territory-wide basis. As regards the ineligibility of non-teaching staff, DS(EM)4 explained that so far there was no redundancy of non-teaching staff in secondary schools.

59. Dr Fernando CHEUNG expressed support for the proposed Early Retirement Scheme for aided secondary school teachers. He, however, expressed dissatisfaction about the wording of paragraph 7 of the Administration's paper which stated that some teachers would resist or lacked self-learning capacity to re-skill and cope with the demands of the curriculum reform. Dr CHEUNG said that the description would create adverse labeling effects on teachers who would apply for early retirement. He suggested that EMB should re-write the paragraph of the paper to be submitted to FC for

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consideration. Mr CHEUNG Man-kwong concurred with Dr CHEUNG.

60. DS(EM)4 explained that according to feedback from schools, some teachers were reluctant to re-skill and cope with the demands of the curriculum reform. He, however, agreed to make appropriate changes to the wording, having regard to members' concern.

61. Mrs Selina CHOW cautioned that schools and EMB should play a monitoring role in retaining sufficient quality teachers in the school sector. The Chairman asked whether primary schools had rejected their teachers' applications for early retirement under the Early Retirement Scheme for aided primary schools. DS(EM)4 replied that primary schools had played their regulatory role and rejected some applications from their teachers for early retirement.

Quota and priority

62. Mr Tommy CHEUNG asked whether the estimate of 840 surplus teachers in the coming school years had taken into account the operation of Direct Subsidy Scheme (DSS) schools and the implementation of the new academic structure for senior secondary education and higher education (the "3+3+4" academic structure) in the 2009-10 school year.

63. DS(EM)4 explained that the estimated decrease of student enrolment in secondary schools from 462 000 in the 2004-05 school year to 441 000 in the 2009-10 school year had taken into account the operation of DSS schools in the school sector. In view of the implementation of the "3+3+4" academic structure in the 2009-10 school year, the Administration envisaged that some serving teachers might not wish to attend the professional development programmes and cope with the demands of the curriculum reform. The proposed Early Retirement Scheme aimed to provide an exit to teachers who would like to retire before the implementation of the new senior secondary curriculum in the 2009-10 school year.

64. Mr Tommy CHEUNG expressed doubts about the accuracy of the projected surplus of 840 teachers if DSS schools were included in the calculation. At his request, DS(EM)4 agreed to provide the estimated supply and demand of teachers in aided and DSS secondary schools from the 2005-06 to the 2009-10 school years.

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65. Referring to the order of priority for approving applications for early retirement by EMB in paragraph 6 of the Annex to the Administration's paper, Mr CHEUNG Man-kwong said that alleviation of teacher redundancy and implementation of the new senior secondary curriculum were two equally important criteria in determining the priority of nominations for early retirement by schools. He pointed out that schools were already required to prioritise the

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applications according to their school-based criteria and make nominations to EMB for approval, and their SMCs/IMCs had to draw up a three-year manpower development plan to support applications from teachers for early retirement. Mr CHEUNG queried the need to process the applications by drawing lots in the event that there were applications the approval of which could not be determined by either or both of the above two criteria. He considered that flexibility should be allowed for schools concerned and these applications should be processed according to the priority nominated by the school concerned.

66. DS(EM)4 explained that the order of priority was necessary in case the number of applications exceeded the quota of teachers who should be approved to join the Early Retirement Scheme in the school year concerned.

67. Ms Emily LAU asked about the calculation of the quota for teachers who should be approved to join the Early Retirement Scheme within the 2006-07 to 2008-09 school years.

68. DS(EM)4 responded that subject to availability of resources, the quota for Early Retirement Scheme would be assessed on the basis of the estimated supply and demand of teachers which were based on the estimated number of fresh graduates, the annual turnover rate of teachers, the number of reduction of classes, the operation of new schools, etc. in the school year concerned.

69. Mr LEUNG Yiu-chung considered that teachers whose applications for early retirement were supported by schools had their reasons to retire and should be allowed to do so. He queried the need to set a quota for approving the applications which were supported by the schools concerned.

70. DS(EM)4 responded that EMB would have to ensure a balance between the supply and the demand of teachers in the school sector. For this purpose, EMB could not approve a number of applications for Early Retirement Scheme which was larger than the estimated number of surplus teachers in the school year concerned.

71. Mr CHEUNG Man-kwong pointed out that teachers who were approved to retire early would be eligible for an ex-gratia payment which would be calculated on the basis of the last substantive salary, years of recognised service and age of retirement. Subject to the approval of FC, an Early Retirement Ex-gratia Payment Fund of \$520 million held in trust under the Permanent Secretary for Education and Manpower (PSEM) Incorporation would be set up for implementing the proposed Early Retirement Scheme for aided secondary school teachers for three years from the 2006-07 to 2008-09 school years. In other words, the total amount of ex-gratia payment was capped at \$520 million. DS(EM)4 confirmed that the number of teachers who should be approved to join the Early Retirement Scheme was also subject to availability of funds.

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Restriction on re-employment

72. Ms Emily LAU asked about the justifications which would warrant the PSEM to repeal the restriction on re-employment of teachers who had retired under the Early Retirement Scheme.

73. DS(EM)4 explained that only in exceptional circumstances PSEM would exercise the power to repeal the restriction on re-employment of teachers who had joined the proposed Early Retirement Scheme. For instance, PSEM would exercise the power when the demand for teachers on a particular subject substantially exceeded the supply in the market. He added that the Early Retirement Scheme for aided primary schools had also incorporated the provision to empower PSEM to repeal the restriction on re-employment as and when necessary.

**III. Any other business**

74. There being no other business, the meeting ended at 10:40 am.

Council Business Division 2  
Legislative Council Secretariat  
4 October 2005