

立法會
Legislative Council

LC Paper No. CB(2)577/08-09
(The minutes have been seen by
the Administration)

Ref : CB2/PL/ED

Panel on Education

Minutes of meeting
held on Monday, 8 December 2008, at 4:30 pm
in Conference Room A of the Legislative Council Building

- Members present** : Hon Cyd HO Sau-lan (Chairman)
Dr Hon Priscilla LEUNG Mei-fun (Deputy Chairman)
Hon LEE Cheuk-yan
Hon CHEUNG Man-kwong
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Starry LEE Wai-king
Hon Tanya CHAN
Hon WONG Sing-chi
Hon WONG Yuk-man
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Dr Hon Samson TAM Wai-ho, JP
- Members absent** : Hon LEUNG Yiu-chung
Hon Andrew LEUNG Kwan-yuen, SBS, JP
- Public Officers attending** : Agenda item IV
Mr Michael SUEN Ming-yeung, GBS, JP
Secretary for Education

Mr Kenneth CHEN, JP
Under Secretary for Education

Mr Raymond WONG Hung-chiu, JP
Permanent Secretary for Education

Mr Michael WONG, JP
Deputy Secretary for Education (1)

Mr Michael V Stone
Secretary-General, University Grants Committee

Agenda item V

Dr Catherine CHAN Ka-ki
Deputy Secretary for Education (5)

Mrs Alice CHEUNG CHIU Hoi-yue
Principal Assistant Secretary (Education Infrastructure)

Dr Francis CHEUNG Wing-ming
Secretary General, The Hong Kong Examinations and
Assessment Authority

Mr Peter LEUNG Kam-yuen
Director - Corporate Services, The Hong Kong
Examinations and Assessment Authority

**Clerk in
attendance** : Miss Odelia LEUNG
Chief Council Secretary (2)6

**Staff in
attendance** : Mr Stanley MA
Senior Council Secretary (2)8

Ms Carmen HO
Legislative Assistant (2)6

Action

I. Confirmation of minutes
[LC Paper Nos. CB(2)376/08-09 and CB(2)385/08-09]

The minutes of the meetings held on 23 October and 10 November 2008 were confirmed.

Action

II. Information paper(s) issued since the last meeting

2. Members noted the following papers issued since the last meeting -
- (a) a letter dated 17 November 2008 from The Chinese University of Hong Kong concerning the grievance and complaint mechanisms of the University Grants Committee (UGC)-funded institutions [LC Paper No. CB(2)317/08-09(01)];
 - (b) an executive summary of the Report on the Study on Tracking the Adaptation and Development of Non-Chinese Speaking Children in Mainstream Schools [LC Paper No. CB(2)319/08-09(01)]; and
 - (c) an interim reply from the Secretary for Education dated 1 December 2008 concerning the governance structure and grievance and complaint mechanisms of the UGC-funded institutions [LC Paper No. CB(2)381/08-09(01)].

III. Items for discussion at the next meeting

[Appendices I and II to LC Paper No. CB(2)387/08-09]

3. Referring to the executive summary of the Report on the Study on Tracking the Adaptation and Development of Non-Chinese Speaking (NCS) Children in Mainstream Schools, the Chairman expressed concern about the provision of education for NCS students. She pointed out that only six NCS students were admitted to the UGC-funded institutions in the 2007-2008 academic year. She suggested that the Panel should discuss the subject matter at a future meeting.
4. Mr CHEUNG Man-kwong said that the discussion on the subject should also cover the provision of support measures for non-designated schools which had admitted a large number of NCS students and the teaching of Chinese Language for NCS students in primary and secondary school, having regard to the implementation of the Race Discrimination Ordinance in education.
5. Members agreed to discuss the following items at the next regular meeting scheduled for 12 January 2009 –
- (a) education for NCS students; and
 - (b) capital works projects for the UGC-funded institutions.

Special meeting on 15 January 2009

6. Members agreed to hold a special meeting on 15 January 2009 from

Action

10:30 am to 1:30 pm to discuss the subject of fine-tuning the medium of instruction (MOI) policy. Ms Audrey EU said that deputations had been invited to give views when the Panel last discussed the subject, and suggested that members should also receive views from deputations at the special meeting. Members agreed.

Implementation of the Education (Amendment) Ordinance

7. Noting that the implementation of the 2004 Education (Amendment) Ordinance was scheduled for discussion by the Panel in March 2009, Mr CHEUNG Man-kwong suggested that the discussion be advanced to February 2009 to allow sufficient time for the Administration or a Member to prepare a resolution to extend the deadline for aided schools to submit draft constitutions of Incorporated Management Committees to the Permanent Secretary for Education. Members agreed.

IV. Recurrent funding for University Grants Committee-funded institutions in the 2009-2010 to 2011-2012 triennium and establishment of Research Endowment Fund

[LC Paper Nos. CB(2)387/08-09(01)-(03)]

8. Secretary for Education (SED) referred members to the Administration's paper on its proposals for the recurrent funding for the UGC-funded institutions in the 2009-2010 to 2011-2012 triennium (the 2009-2012 triennium), and the establishment of an \$18 billion Research Endowment Fund (the Fund). Members noted the two background briefs prepared by the Legislative Council (LegCo) Secretariat for the agenda item.

Recurrent funding

9. Mr CHEUNG Man-kwong said that the proposed recurrent funding for the UGC sector was primarily based on the number of publicly-funded first-year-first-degree (FYFD) places. He pointed out that at present, of 80 000 Secondary Five (S5) graduates, slightly over 30 000 were admitted to S6 classes each year, and some 17 000 of them attained the minimum requirements for admission to publicly-funded undergraduate programmes through the Joint University Programmes Admissions System (JUPAS). About 2 000 of the 14 500 FYFD places was allocated for students through the non-JUPAS route. In other words, only about 12 000 S7 graduates could be admitted to the UGC-funded institutions through JUPAS, and about 5 000 did not have access to universities, notwithstanding their attainment of the minimum requirements. He was concerned that with the substantial increase of students participating in the Hong Kong Diploma of Secondary Education (HKDSE) examinations in 2012 but FYFD places being maintained at 14 500, a greater number of students would be qualified for admission but could not be admitted to FYFD studies in

Action

the UGC-funded institutions. He asked how the Administration would address such an abnormal situation.

10. SED responded that there would be a motion debate on the provision of FYFD places in the UGC-funded institutions at the Council meeting on 10 December 2008. He pointed out that the number of publicly-funded articulation places for sub-degree graduates would be increased to 3 974 in 2011-2012. Together with the self-financing degree places, about 25% of the relevant age group had access to university education. As explained during the Debate on the Policy Address, the Administration was aware of the situation but there was no provision for an increase in FYFD places for the 2008-2009 fiscal year. The Administration would review the provision at an appropriate time.

11. Mr CHEUNG Man-kwong said that some 5 000 to 6 000 students who were qualified for but had not been admitted to publicly-funded FYFD programmes. To facilitate these students to have access to university education, he called on the Administration to consider providing subsidy to these students to attend self-financing degree programmes in private universities by subventing these programmes.

12. SED responded that the proposed recurrent funding of \$33,992 million for the 2009-2012 triennium had not included any subvention for private universities. The Administration would welcome a discussion on Mr CHEUNG's proposal should members so wish in future.

13. Mr LEE Cheuk-yan noted that the provision for the 2009-2012 triennium had reflected inflation and the civil service pay increase in 2008 only but not for the subsequent years. He was concerned whether additional provision would be made should there be inflation or civil service pay increase. Secretary-General, University Grants Committee (SG(UGC)) replied that the Finance Committee (FC) had approved in 2003 a mechanism for calculating staff salary provisions for the UGC sector which would follow civil service pay adjustments, and the approved provision for the UGC sector would be increased or decreased accordingly.

14. Mr LEE Cheuk-yan said that the Administration should start the review on the provision of FYFD places immediately as it would take several years to reach a conclusion. He considered the provision of 927 articulation places inadequate to address the aspiration of over 30 000 sub-degree graduates in a year for further studies. He stressed that LegCo Members were in support of increased provision of FYFD places and articulation places. He asked whether the Administration had a timetable for the review. Ms Audrey EU shared a similar view on the matter.

15. SED responded that the matter involved not just the Education Bureau (EDB). Like other policy initiatives, an increase of FYFD places would have to

Action

be considered together with other competing priorities in education as well as in other policy areas. EDB considered it not an appropriate time to review the provision at the present stage.

16. Ms Starry LEE said that the Administration should have reviewed the provision of FYFD places in the past few years when the economy was booming. She considered it necessary to increase the provision to accommodate an anticipated increase in demand arising from a substantial increase of S6 students participating in the HKDSE examinations under the new academic structure (the 334 structure). She cautioned that any delay in reviewing the provision might arouse student discontent. SED replied that the Administration would consider Members' views and suggestions during the debate on the subject at the Council meeting on 10 December 2008.

Research Endowment Fund

17. Professor Patrick LAU enquired about the criteria for the allocation of research resources by the Research Grants Council (RGC) and the monitoring mechanism. He asked how the steering committee to be established to advise the Government on the selection of appropriate themes would assess applications for conducting theme-based research, and whether it would handle complaints about unfair allocations. He pointed out that researchers were inclined to request a larger amount for research in anticipation that a lesser amount would be approved.

18. Permanent Secretary for Education (PSED) explained that the investment income of the Fund would be used to replace the existing earmarked research grants disbursed annually by RGC to the UGC-funded institutions. The investment income of up to \$4 billion of the Fund would be used to support theme-based research which would benefit the long-term development of Hong Kong. RGC would continue to determine the allocation of earmarked research grants in accordance with established criteria and practices. An independent steering committee would be set up to advise the Government on selection of appropriate research themes in accordance with the major principles set out in paragraph 16 of the Administration's paper.

19. SG(UGC) explained that RGC aimed to use the earmarked research grants to support as many quality research projects as possible. RGC would carefully examine the academic merits, financial implications and justification of each proposal, and provide funding support on the basis of academic excellence. As a general principle, excellent proposals graded at level 5 would be provided with full funding support, and proposals graded at 4.5 or 4.0 level would be funded at a level lower than the projected cost but the funding should be viable for conducting the research. As regards fairness in disbursement of earmarked grants, SG(UGC) said that all proposals had been assessed in terms of their academic excellence on a competitive basis. UGC did not consider it

Action

appropriate to allocate the earmarked grants to the UGC-funded institutions on a pro-rata basis.

20. Mr WONG Yuk-man said that it was innovative to use the investment income of the Fund to sustain the provision of earmarked research grants and support theme-based research on an on-going basis. However, the assumption of a 5% return on the investment might not be valid under the prevailing economic conditions, and the principal of the Fund might have to be used to support research conducted by the UGC-funded institutions in the coming few years. He considered it necessary for the Administration to follow up the investment of the Fund and to continue to fulfil its responsibility for supporting research in education. He also expressed concern about possible influence of large corporations in the selection of research themes with the result that academic disciplines such as humanity and social science studies would be prejudiced.

21. SED explained that the proposed establishment of the Fund aimed to provide a stable source of funding for research. The assumption of a 5% investment income of the Fund was considered realistic at the time when the proposal was announced by the Financial Secretary. Although the current financial crisis had substantial impact on the global investment environment, it was premature to assume that a 5% return could not be attained in the long run. SED also clarified that the steering committee to be established would not include representatives from large corporations.

22. Dr Priscilla LEUNG said that many academics in the UGC sector had expressed concern about the existing peer review mechanism adopted by RGC for assessment of research proposals submitted by the UGC-funded institutions on a competitive basis. They considered that under the existing system, research proposals with the themes on science and engineering had an edge over those on humanity and social sciences; and research on international issues were given higher regard than those on local issues. She pointed out that major research journals were inclined to publish scientific and engineering research on international issues, and some overseas experts in the RGC's subject panels were not familiar with local issues. While expressing support for the establishment of the Fund to support theme-based research that would contribute to the long-term development of Hong Kong, she was concerned about the establishment of another structure, i.e. a steering committee, in selecting the appropriate themes. To ensure the selection of themes on an equity basis, she considered it necessary for the Administration to consult extensively the UGC sector, including the academics in different faculties and departments, on the composition of the steering committee and the principles for selection of themes in accordance with the needs of Hong Kong.

23. PSED responded that the introduction of theme-based research aimed to encourage the UGC-funded institutions to conduct researches that would contribute to the long-term development of Hong Kong. He said that the

Action

Administration would consult the relevant stakeholders on the composition of the steering committee and the framework for selection of the research themes. He understood that all applications for earmarked research grants were assessed by RGC's subject panels based on their criteria, and these panels comprised both local and external experts. For assessment of research proposals on local issues, RGC would appoint more local academics to the subject panels concerned.

24. Miss Tanya CHAN said that given the wide variety of research areas, both UGC and RGC should make reference to overseas experience and consider adopting different mechanisms for assessment of research proposals on different disciplines and themes. Likewise, the steering committee to be established should also have flexibility in selecting themes in different areas. She asked whether a ceiling on the use of the principal of the Fund would be set in case the investment income was insufficient to support research including theme-based research.

25. SG(UGC) responded that RGC had exercised flexibility in considering research applications in different areas. RGC had appointed four subject panels to assess applications for research grants, namely: the Engineering Panel: the Physical Sciences Panel: the Biology & Medicine Panel: and the Humanities, Social Sciences and Business Studies Panel - the latter which had two Sub-Panels on Humanities and Business Studies. These Panels had their own set of criteria for assessing the academic merits of research proposals in their respective fields. UGC believed that it was not yet the right time for the operation of different research grant councils adopting different mechanisms for assessment of research in different areas, having regard to the administrative burden and the additional costs incurred.

26. PSED responded that the steering committee to be set up would select the themes in accordance with the prescribed principles. From a long-term perspective, a 5% investment income of the Fund was considered reasonable. During economic downturns such as the current financial crisis, the Administration considered it appropriate to use a small part of the principal of the Fund to ensure a stable research allocation so that academics could be assured of the maintenance of a reasonable level of research funding. The Administration would not set a ceiling on the use of the principal of the Fund. UGC would be responsible for managing the investment and accounting matters of the Fund.

27. Miss Tanya CHAN was concerned about a high turnover rate of Research Assistants as this would have adverse impact on the quality of research in the UGC-funded institutions. She considered it necessary to offer a reasonable remuneration package to Research Assistants to enhance the quality of research.

28. SG(UGC) responded that the salaries of university staff were determined

Action

by the universities concerned. Research Assistants and Senior Research Assistants were employed by the UGC-funded institutions with a monthly salary of about \$13,000 and \$26,000 respectively, and these levels of salaries were at the market rate.

29. Mr Tommy CHEUNG said that Members belonging to the Liberal Party supported the provision of stable research funding. However, they had reservations about the establishment of the Fund and the use of its investment income as a stable source of funding for research in the UGC sector. He pointed out that given the volatilities of the investment market, relying on the investment income of the Fund to support research would create more uncertainty. Should the investment be favourable, there would be a tendency to spend more on research. Should the investment be unfavourable, the principal of the Fund would be used. In his view, to provide stable funding for research, the allocation could be made on a triennial basis. He called on the Administration to reconsider the merits of the establishment of the Fund in view of the recent financial crisis.

30. SED responded that the proposal to establish the Fund was put forward by the Financial Secretary in his 2008-2009 Budget Speech and had received favourable support from LegCo. The Administration had earmarked resources to set up the Fund. The establishment of the Fund would provide a stable source of funding to sustain the long-term development of research in the UGC sector. Under the existing mode of providing research funding on a triennial basis, the level of funding provided would be subject to the amount of public resources available in a given triennium and competing priorities in other policy areas.

31. Dr Samson TAM said that the information technology sector supported the establishment of the Fund. As a former member of the Research Grants Council, he considered the recurrent funding of \$506 million for research insufficient to sustain the long-term development of Hong Kong in an increasingly knowledge-based global economy. The success rate for research proposals had been about 40% to 50%. He was open on whether the funding mode should be maintained on the present recurrent basis or changed by the establishment of the Fund. He urged the Administration to consult stakeholders in this regard. He expressed support for the award of research grants on a competitive basis and the conduct of theme-based research. Noting that some researchers had spilt up their research into smaller and short-term projects to enhance the chance of approval, Dr TAM asked whether the funding for each theme-based research would also be in small amount and whether there would be separate mechanisms for assessing theme-based and non-theme-based research.

32. SED advised that the Administration had earmarked \$18 billion in the 2008-2009 Estimates for the establishment of the Fund. SG(UGC) pointed out that the earmarked research grants for the UGC sector would remain at \$506 million in the 2009-2010 academic year. The investment income of the Fund would replace the earmarked grants from the 2010-2011 academic year onwards.

Action

He stressed that UGC and the UGC-funded institutions strongly supported the establishment of the Fund to support the long-term development of research in the UGC sector. The average success rate of research proposals ranged from 35% to 40% in Hong Kong, and was high by international standards. RGC would encourage institutions to propose theme based research on areas which were considered important for the long-term development of Hong Kong. Depending on the themes to be selected, a wide range of research projects could be provided with funding support. UGC remained open on the operational details of theme-based research.

33. Dr Samson TAM remarked that given the prevailing financial crisis, private donations for research in the UGC sector would likely decrease significantly. He said that the Administration should keep a close watch on the matter, and ensure that research would not be adversely affected.

34. Ms Audrey EU noted with concern that according to the Report on Higher Education in Hong Kong published by UGC in 2002, Hong Kong invested only 0.48% of its Gross Domestic Product (GDP) on research and was ranked 16 among the 20 countries under study. She asked how the establishment of the Fund would compare with the existing funding mechanism in facilitating the long-term development of research in Hong Kong and protecting academic freedom in research, and whether the introduction of theme-based research would have an impact on role differentiation among institutions in the UGC sector.

35. PSED explained that the existing mode of providing research funding on a triennial basis was subject to the public resources available in the given triennium and competing priorities in other policy areas. The UGC sector had been concerned about the inadequate research funding. The Financial Secretary had consulted the higher education sector and received support for the establishment of the Fund to provide a stable source of funding for research in the sector. From a long-term perspective, the Administration considered it realistic to expect a 5% investment income of \$700 million per year which would be more than the existing recurrent funding of \$506 million for the earmarked research grants. As RGC would continue to assess the applications and determine the allocation of earmarked research grants in accordance with the established method, the operation of the Fund would not affect academic freedom in research or role differentiation among the institutions. As regards theme-based research, the institutions would be invited to submit research proposals on the selected themes, which would be evaluated in terms of their relevance to the themes and with reference to the existing RGC's evaluation criteria.

36. The Chairman considered the provision of consistent and adequate funding for quality research was paramount to the long-term competitiveness of Hong Kong in a knowledge-based global economy. She pointed out that

Action

compared with other countries such as New Zealand, Hong Kong had been spending a very small proportion of its GDP on research. She was concerned how the establishment of the Fund would increase funding for research. She also considered that given the volatilities of the investment market, the Administration should specify a minimum funding level for research to ensure the provision of stable funding to support research activities and developments in the UGC sector. In the event that the principal of the Fund had decreased to a certain level as to render its investment income less than the minimum provision, the Administration should inject further capital into the Fund.

37. SED shared the view that the recent financial crisis had impacted on the international and local financial markets. He pointed out that the announcement of the establishment of the Fund preceded the financial crisis and it was realistic back then to assume a 5% investment return on the Fund. The Administration had allowed sufficient run-in time for the Fund after its establishment, and would use part of the investment income to top up the allocation in 2009-2010. The Administration would keep in view the operation of the Fund and take measures as and when appropriate.

38. In response to Ms Starry LEE's question as to how LegCo could monitor the operation of the Fund, SED said that the Fund would be set up as a charitable trust and the Permanent Secretary for Education Incorporated (PSEI) would act as the trustee of the Fund. An annual report on the operation of the Fund would be submitted to PSEI. The detailed accounts of the Fund would be tabled at LegCo as required by the Permanent Secretary for Education Incorporation Ordinance.

39. Ms Starry LEE requested the Administration to report to the Panel on the operation of the Fund at regular intervals, say every six months in the initial years of its establishment. PSED agreed.

40. Mrs Regina IP expressed support for the establishment of the Fund to support research including theme-based research which would be important to the long-term development of Hong Kong. She pointed out that Hong Kong spent about 0.7% of its GDP on research, whereas the United States, Japan and Norway used more than 3% of their GDPs on research. Even the Mainland aimed to use more than 2% of its GDP on research. She shared the view that there was risk in investment. The annual investment return on the Harvard University Endowment Fund was above 10% in the past years, but had a negative return of 30% for 2008. As such, she called on the Administration to formulate measures to ensure investment return on the Fund. According to her understanding, the UGC-funded institutions were competing fiercely for resources allocations and had no role differentiation. In the past, research resources had been allocated predominantly to certain institutions and faculties. She shared the view of Dr Samson TAM on the need to allocate more resources for research, and stressed the importance on fairer allocation of resources. She

Action

hoped that the resources for research would be allocated to institutions and professors who were capable of conducting quality research that would contribute to the development of Hong Kong. SED noted her views.

41. Referring to paragraph 16(d) of the Administration's paper, Mr CHEUNG Man-kwong was concerned that as no more than five or six themes would be selected for each exercise and such exercise would be conducted once in about every three years, approximately \$100 million would be allocated for each theme. Given the huge amount of monies, he asked whether institutions would be required to guarantee the completion of the approved theme-based research even if the principal researchers had resigned, and whether a penalty would be imposed for non-completion of an approved theme-based research.

42. PSED explained that depending on the proposals received, a number of quality research projects might be approved under each theme. SG(UGC) said that the scenarios described by Mr CHEUNG Man-kwong did not often happen, although a small number of professors involved in research work did leave or change employment in an academic year. UGC required institutions to provide information on the principal researchers and co-workers in their research proposals, including the duration of their service contracts with the institutions. In the absence of a co-principal researcher or another professor to continue a research project, the resignation of a principal researcher might result in the discontinuation of the project, and the institution concerned would have to return the unspent funds to UGC. SG(UGC) added that, given the nature of research, there could be no guarantee on completion of approved research projects.

43 Dr Priscilla LEUNG said that UGC should allocate more resources to encourage institutions to collaborate with other institutions and organizations to conduct theme-based research in different disciplines such as environmental and genetic engineering. Given the huge investment, theme-based research should focus on local issues and their applicability to Hong Kong. As many academics had complained about the emphasis on academic excellence in research evaluation under the existing mechanism, she considered that UGC should go beyond the existing assessment mechanism in considering applications for the Fund. To facilitate the selection of theme-based research, RGC should appoint expert in the relevant fields to the respective subject panels to ensure that both academic aspects and applicability of research proposals would be evaluated.

44. SG(UGC) responded that UGC encouraged institutions to collaborate with each other to conduct research in their areas of excellence. RGC had recently doubled the resources for its Collaborative Research Grant Scheme to encourage institutions to submit more collaborative bids. In his view, it should be cautious to demand that research should be evaluated in terms of their results. Whilst applicability to the local environment was important, academic excellence should remain the major consideration in evaluation of theme-based

Action

research.

University tuition fees

45. Mr WONG Yuk-man expressed concern about the shared funding model proposed by the Administration for parents, students and the community to share the heavy financial investment needed to implement the four-year undergraduate programmes. He cautioned that in the prevailing financial crisis, the Administration should not consider any increase in university tuition fees. Otherwise, a series of student movements against tuition fee increase would likely to follow, and the League of Social Democrats would certainly join the demonstrations against the Administration. He stressed that the Administration should not cut cost in education and should take his advice to avoid unnecessary conflict with students and parents.

46. SED thanked Mr WONG Yuk-man for the advice. He clarified that the shared funding model was proposed for public consultation in 2005 and the Administration had not made any proposal of university tuition fee increase. He pointed out that the indicative tuition fees for the UGC-funded programmes had been frozen for 11 years at the 1998-1999 level.

47. Dr Priscilla LEUNG shared the view of Mr WONG Yuk-man that consideration should not be given to increasing university tuition fees in view of the prevailing financial crisis and the uncertainties associated with the implementation of the new academic structure for senior secondary and higher education.

48. Mr Tommy CHEUNG said that it had been the Administration's intention to use the savings generated from a decline in secondary school student population to support the implementation of the 334 structure, and there had not been any mention about the need for parents to share the funding required. However, such savings might be less than expected as the number of secondary classes would not be reduced as much as originally planned to minimize the impact of class restructuring. He expressed reservations about the increase of university tuition fees. He requested the Administration to provide information on the savings generated from the decline in school-age population and advise whether the savings would be redeployed to support the implementation of the four-year undergraduate programmes.

49. SED reiterated that the Administration had not proposed an increase of the indicative tuition fees for the 2009-2012 triennium. The Administration only pointed out the need for additional resources for the implementation of four-year undergraduate programmes. He said that the Administration would consult stakeholders and the community as appropriate on the proposed shared funding model and would come to a final view in the last quarter of 2011 at the latest.

Action

50. Mr CHEUNG Man-kwong did not subscribe to the view that the implementation of the four-year undergraduate programmes should be supported by the redeployment of savings generated from the decline in primary and secondary student population. He pointed out that the average unit costs for secondary and university education were about \$30,000 and \$200,000 respectively. He considered that any savings generated should be used to support the implementation of small class teaching in secondary schools.

V. Development of the new Hong Kong Diploma of Secondary Education Examination system and further improvement to the examination processes

[LC Paper Nos. CB(2)387/08-09(04) and (05)]

51. Members noted the background brief entitled "Modernization and development of the examination systems of the Hong Kong Examinations and Assessment Authority" prepared by the LegCo Secretariat, and the replacement sheets for the Administration's paper tabled at the meeting.

52. By way of background, Deputy Secretary for Education (5) (DS(Ed)5) explained that the Administration had been preparing for the Hong Kong Diploma of Secondary Education (HKDSE) on various forms such as the development of curriculum, textbooks, teaching resources and professional training. The corresponding development of assessment framework was also important. When the FC approved the grant to the Hong Kong Examinations and Assessment Authority (HKEAA) in 2004 for the assessment development and research activities, the Administration had explained that the assessment activities would accommodate the necessary changes to pave way for the implementation of the new senior secondary curriculum. The Administration had been providing FC with annual reports on the progress of the grant. It had been reported that the use of the grant would be extended to the 2011-2012 school year to cater for the development of the new senior secondary curriculum. Besides, in seeking the grant for the modernisation of Information Technology (IT) infrastructure and systems in 2005, the Administration had explained that it would be necessary to seek additional funding for implementing further measures necessary for the HKDSE under the new academic structure in due course. DS(ED)5 briefed members on the major proposals and justifications for the development of HKDSE Examination system as detailed in the Administration's paper.

Examination centres

53. Mr WONG Yuk-man expressed support for the funding proposal in principle. He noted with concern that HKEAA had conducted a study to test the radio signal coverage at all the 422 examination centres, and 67 centres were rated as "poor" or "very poor" in terms of radio signal coverage. He was

Action

concerned about the impact on the performance of candidates attending listening examinations in these centres, and said that the Administration should have rectified the situation long before.

54. Dr Francis CHEUNG Wing-ming, Secretary General of HKEAA clarified that HKEAA conducted annual tests on radio signal coverage at all examination centres and the 67 centres rated with "poor" or "very poor" signal coverage had never been used for conducting listening examinations. These 67 centres were mostly located in remote areas. In anticipation of the large number of attendance in Hong Kong Advanced Level Examination (HKALE) and HKDSE Examination in the double cohort year, HKEAA considered it necessary to improve the radio signal coverage in these centres to facilitate arrangements for conducting the listening examinations.

55. Mr CHEUNG Man-kwong questioned the need to use about \$11 million to install FM radio signal repeaters in the 67 examination centres to cater for the double cohort year in 2012 alone. He pointed out that the proposed installation would cost about \$165 000 per centre. Noting that these 67 centres had never been used to conduct listening examinations before, he considered that HKEAA should make effective use of the available centres to accommodate the need arising from the double cohort year.

56. Dr Francis CHEUNG Wing-ming explained that listening examinations should ideally be held in school halls and not in individual classrooms. In the absence of sufficient suitable venues, schools with good signal coverage had to vacate their classrooms for conducting listening examinations, and had to suspend class, affecting a large number of other students. Improving radio signal coverage at the 67 examination centres would help reduce the need to use classrooms for conducting listening examinations, and was not catered solely for the double cohort year.

57. Mr CHEUNG Man-kwong remained of the view that it might not be justified to carry out the proposed installation for the purpose of conducting listening examinations for HKALE or HKDSE Examination for one or two years. Such installation would not be value-for-money and could be queried by the Director of Audit. He considered that the Administration and HKEAA should ensure cost-effective use of public funds. He requested HKEAA to provide information on the number of existing examination centres found suitable for conducting listening examinations, and the number of additional centres required under HKDSE Examination in and after the double cohort year.

58. Dr Francis CHEUNG Wing-ming explained that the number of examination centres required for conducting listening examinations varied from year to year as the number of candidates taking the examinations varied and the availability of schools concerned during the examination period also changed because of their commitment for other purposes. The proposed amount of \$11

Action

million was the ceiling for the installation in all the 67 centres which would only be carried out on a need basis.

Admin

59. Mr CHEUNG Man-kwong said that to facilitate members to consider the funding proposal, the Administration should provide information on the number of existing examination centres found suitable for conducting listening examinations, the number of candidates accommodated by these centres and the number of additional centres required for HKDSE Examination in and after the double cohort year.

Admin

60. The Chairman suggested that HKEAA should also explore the feasibility of using other venues such as university facilities and sports centres to conduct public listening examinations. Mr CHEUNG Man-kwong shared her view. The Chairman requested the Administration and HKEAA to provide information in this regard in their submission to the FC for consideration.

61. In response to Dr Priscilla LEUNG's enquiry about the criteria for the selection of examination centres for conducting listening examinations, Dr Francis CHEUNG Wing-ming responded that HKEAA would consider a number of factors including the quality of radio signal reception and the candidates' choice for location for attending the listening examinations. It would select appropriate centres in different districts taking into account accessibility for candidates.

62. Dr Priscilla LEUNG considered it necessary to provide all candidates with convenient locations and suitable environment for attending listening examinations. Dr Francis CHEUNG Wing-ming assured members that HKEAA would endeavour to ensure fair examination arrangements and competition among candidates.

Software and hardware upgrading

63. Mr CHEUNG Man-kwong noted that according to the Administration, the system design of the current systems for the Hong Kong Certificate of Education Examination (HKCEE) and HKALE were not compatible with the HKDSE Examination operation mode and could not support its requirements. He enquired about the cost required for enhancing the systems to support the requirements of HKDSE Examination. He was concerned that substantial resources had been spent to install the current systems only a few years ago and it would be a waste if the whole systems were to be scrapped.

64. In reply, Dr Francis CHEUNG Wing-ming explained that HKEAA was given a one-off grant of \$136.7 million in February 2004 to support its assessment development, policy and research activities, which did not concern with the HKCEE or the HKALE systems. Another grant of \$198.87 million was approved in December 2005 to modernize HKEAA's outdated IT infrastructure

Action

and highly manual examination processes by introducing centralized Onscreen Marking (OSM), among others. The HKCEE and HKALE systems had not been updated for many years, and their outdated application software could not be upgraded to support the requirements of HKDSE Examination such as multi-media assignment for Applied Learning courses and standards-referencing assessments. Indeed, the contractors had already expressed difficulties in providing maintenance services for the current systems. He stressed that the last two grants to HKEAA had mainly been used to develop the IT infrastructure and systems and the OSM systems which would continue to be used to support the new HKDSE requirements.

65. Mr CHEUNG Man-kwong sought justifications for the proposed grant of about \$30 million to strengthen the hardware for the Examination Personnel Management (EPM) system and the OSM to cater for an increase of subjects in HKCEE and HKALE from 30 to 34 in HKDSE Examination.

66. Dr Francis CHEUNG Wing-ming explained that apart from an increase in the number of subjects for OSM and examination personnel, there would be substantial increase in the number of scripts for double marking in the HKDSE Examination, in particular the subject of Liberal Studies. The existing hardware capacity would have to be expanded to cater for the requirements of HKDSE Examination.

Examination fees

67. Mr CHEUNG Man-kwong asked whether the two grants of \$198.87 million and \$152.309 million to HKEAA would be reflected in examination fees. Dr Francis CHEUNG Wing-ming replied that the two non-recurrent sums were paid directly by the Government and hence would not have any impact on examination fees.

68. Mr TAM Yiu-chung said that the administration of HKCEE and HKALE had been on a deficit and the relevant examination fees had increased by 7% in the current year. He was concerned whether the development of the HKDSE Examination system would lead to further increase of examination fees.

69. Dr Francis CHEUNG Wing-ming said that HKEAA recognized the community's expectation of improved quality of examination services at affordable fees. In this regard, HKEAA had taken measures to develop new sources of income and to reduce costs. Given a deficit estimate of about \$11 million and \$12 million in the 2006-2007 and 2007-2008 years respectively, HKEAA had managed to reduce the deficit to about \$6 million in 2006-2007 and was expecting a lesser deficit in 2007-2008. He quoted for members' reference the examination fees in the United Kingdom to illustrate the relatively low examination fees in Hong Kong. For different subjects in the General Certificate of Secondary Education examinations, the examination fees ranged from 20

Action

pound to 50 pound. As for the General Certificate of Education (Advanced Level) examinations, the examination fees ranged from 80 pound to 160 pound. In Hong Kong, the examination fees for HKCEE subjects only ranged from \$110 to \$194 and those for HKALE subjects from \$150 to \$600.

70. Mr TAM Yiu-chung pointed out that the examination fee of \$600 for the subjects of Chinese Language and Use of English in HKALE was not low. He expressed concern that HKEAA might increase examination fees for HKDSE Examination unless the Administration provided a subsidy in this regard.

71. Dr Francis CHEUNG Wing-ming explained that the higher examination fees for language subjects in HKALE were necessary because of the need for double marking. HKEAA would try its best to reduce the costs of administering these examinations. DS(Ed)5 supplemented that the Administration would review the relevant financial assistance scheme for needy students for HKDSE where appropriate.

Articulation

72. Mr WONG Yuk-man asked about the pathways for students who failed in HKCEE in 2010 and 2011 as the HKDSE Examination would be administered thereafter.

73. DS(Ed)5 advised that S5 graduates with unsatisfactory results in the 2010 HKCEE could re-sit the examination as private candidates in 2011 or repeat S5 studies under the 334 structure. Schools would reserve a quota for these repeaters and provide an appropriate curriculum choice for them. The majority of subjects under the new senior secondary curriculum covered the syllabus of the corresponding subjects under the existing HKCEE. For the subject of Liberal Studies, schools had been encouraged to offer the subjects of Integrated Humanities and Science and Technology under the existing secondary academic structure. Meanwhile, post-secondary institutions would continue to consider HKCEE results for enrolment to their pre-entry classes for sub-degree courses and vocational courses. In addition, these students could pursue further studies overseas.

Conclusion

74. Concluding the discussions, the Chairman asked whether members supported the submission of the proposal to the FC for consideration in January 2009. Members did not object the submission. Mr CHEUNG Man-kwong requested the Administration to provide detailed information to address his concerns. The Administration agreed to provide the additional information before the Christmas holidays.

Action

VI. Any other business

75. There being no other business, the meeting ended at 6:35 pm.

Council Business Division 2
Legislative Council Secretariat
9 January 2009