



中華人民共和國香港特別行政區政府總部教育局
Education Bureau
Government Secretariat, The Government of the Hong Kong Special Administrative Region
The People's Republic of China

本局檔號 Our Ref. : EDB CR 20/2041/48 Pt.11

電話 Telephone : 2892 6398

來函檔號 Your Ref. :

傳真 Fax Line : 2116 0615

19 May 2011

Legislative Council Panel on Education
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central, Hong Kong
(Attention: Ms Amy YU, Clerk to Panel)

Dear Ms Yu,

**Provision of Supplementary Information for
Item of "Review of Examination Fee Remission Scheme"
discussed at the Legislative Council Panel on Education Meeting
on 11 April 2011**

At the request of Members, we have prepared a note setting out the requested supplementary information relating to the item of "Review of Examination Fee Remission Scheme" discussed at the Legislative Council Panel on Education meeting on 11 April 2011. We would be grateful if you could circulate the information for Members' information before the item is to be discussed at the Finance Committee meeting on 27 May 2011.

Yours sincerely,

(Ms Esther Leung)

Deputy Secretary for Education

c.c. Controller, Student Financial Assistance Agency

Attachment : Note on supplementary information

Legislative Council Panel on Education Meeting on 11 April 2011

Supplementary information relating to discussion of the item on Review of the Examination Fee Remission Scheme

Recognition of the Hong Kong Diploma of Secondary Education Examination

The New Academic Structure (NAS) has been launched since September 2009. The first Hong Kong Diploma of Secondary Education Examination (HKDSE) will be held in 2012 and the first cohort of university students will graduate in 2016.

2. The HKDSE will adopt Standards-referenced Reporting (SRR) using Levels 1 to 5 to annotate students' performance, with 5 being the highest. Students with the best performance in Level 5 will be awarded 5**; the next top Level 5 students will be awarded 5*. There are descriptors to indicate what a typical student has to know and be able to attain at a certain performance level.

3. The Education Bureau (EDB) and the Hong Kong Examinations and Assessment Authority (HKEAA) have been promoting the NAS and the HKDSE qualification to various stakeholders locally and overseas.

Local recognition of HKDSE

4. The HKDSE qualification has been recognized by the local institutions including the eight local University Grants Committee (UGC)-funded institutions and the Federation for Continuing Education in Tertiary Institutions (FCE). The UGC-funded institutions have already announced their admission requirements (i.e. "3322" for the four core subjects plus one to two specified/unspecified elective subjects) for the new senior secondary school leavers. The FCE recommends that the minimum admission requirement for sub-degree programmes be set at Level 2 in five subjects (including Chinese Language and English Language) or equivalent.

International recognition of HKDSE

5. The HKDSE standard has been included in the Tariff System of the Universities and Colleges Admissions Service (UCAS)¹. Levels 3, 4 and 5 in the HKDSE are broadly comparable to Grades E, C and A in GCE A-level Examination respectively. This serves as good reference for overseas universities to understand the relative standards of HKDSE qualification.

6. Since early 2010, EDB and HKEAA have visited Canada, the United States (US), the United Kingdom (UK), Australia and some Asian countries to promote the NAS and HKDSE qualification as well as Hong Kong as a regional education hub. The government departments and institutions visited are all positive about the changes in NAS and in accepting the HKDSE qualification as a credential for application for admission. Some of the universities, including University of Oxford, have announced the admission requirements of HKDSE holders on their websites.

7. In order to understand the general admission requirements of overseas universities / institutions for HKDSE holders, a survey has been conducted by the HKEAA and the EDB since June 2010 for countries including Australia, the UK, the US, Canada etc. The first two batches of 49 universities / institutions have been uploaded to the HKEAA website for the reference of parents and students. HKEAA is going to upload further information on its website as more and more universities have responded to the international survey.

Way forward

8. Entrance to top universities has always been competitive. Different departments/faculties of the universities have different subject combinations requirements. Some top universities in the UK, for example, require not only excellent examination results, but due consideration is also given to personal statements and references and extensive relevant work / community service experience.

¹ The UCAS Tariff is a points system developed and used by the UCAS of the UK to indicate the standards of various qualifications recognised for applications to higher education institutions. With reference to the tariff points awarded, universities and higher education institutions in the UK are able to compare the different types of accredited qualifications available. Hence, the tariff is used as a common scale for universities in the UK to develop admission policies of different courses and programmes.

9. We will continue our effort to promote the NAS and the HKDSE abroad. As the HKDSE begins to roll out in 2012 and with more life examples on standards and actual student achievements, wide acceptance of the HKDSE is expected.

Governance on HKEAA and the monitoring mechanism of the examination fee levels

Governance on HKEAA

10. HKEAA is a statutory body established under the Hong Kong Examinations and Assessment Authority Ordinance (HKEAAO) (Cap. 261). Its statutory responsibility is to conduct the specified examinations² stipulated in Schedule 1 of the HKEAAO. It operates on a self-financing basis and does not receive any recurrent subvention from the Government.

11. HKEAA is governed by a Council with members drawn from various sectors, including tertiary institutions, schools, business and the Government. Under the Council, there are various committees overseeing specific issues. In respect of the Government's general monitoring role, EDB is represented on HKEAA's Council and its committees.

12. HKEAA is required to submit its annual estimates of income and expenditure, including the fees proposed to charge candidates sitting the specified examinations and programme of its proposed activities, to the Administration for approval. It is also required to table its annual audited statement of accounts and the report on its activities during the period covered by the audited account at the Legislative Council every year under the HKEAAO.

Fees for sitting the specified examinations

13. The HKDSE is a new qualification to recognize the achievements, abilities and potentials of all students comprehensively to suit the needs of the 21st century under the NAS. Twenty-four new senior secondary subjects, 30 Applied Learning subjects and six Other Language

² The specified examinations stipulated in the HKEAAO are the Hong Kong Certificate of Education Examination (HKCEE), the Hong Kong Advanced Level Examination (HKALE) and the Hong Kong Diploma of Secondary Education Examination (HKDSE). The last HKCEE will be held in 2011 for private candidates only and the HKDSE will be implemented in 2012.

subjects are to be offered. There are also innovative and sophisticated assessment design and more rigorous processes such as SRR, expansion of onscreen marking and school based assessment to enhance the quality and credibility of the qualification.

14. As an independent and self-financing statutory institution, the HKEAA derives its income primarily from examination fees. In deliberating the examination fees, both the Government and the Council are mindful of the need to keep the costs down without jeopardizing the quality of the examinations. Hence, whilst the Council adopts an overall cost recovery approach on the matter, the Administration has been providing non-recurrent grants to HKEAA on initiatives for public examinations where justified, such as \$57.15 million grant for the rental of onscreen marking centre on Hong Kong Island and \$152.309 million grant for the development of the HKDSE examination system, so as to reduce the costs of running the public examination. This could also help ensure that the examination fees are set at a level that could generally recover the recurrent costs of HKDSE and are affordable.

15. HKDSE examination fee will be reviewed every year. It should be noted that the cost of HKDSE is attributable to a number of key cost factors such as paper complexity, examination personnel and markers involved, number of papers, etc. Meanwhile, HKEAA will continue to review its internal processes and improve efficiency and effectiveness on an on-going basis. It will also consider its manpower needs for all its business and operation units, including the manpower requirements for the public examinations. At present, to handle the transition to HKDSE, HKEAA has engaged contract staff to handle the projects on a one-off basis such that further variations of manpower needs could be handled more flexibly in future.

Fees for supplementary services provided by HKEAA for the specified examinations

16. In conducting the specified examinations, HKEAA will provide some supplementary services to candidates. Examples of the supplementary services are change of subjects, change of language version, rescheduling of oral examination dates, issue of replacement admission forms, issue of replacement results notice and applications for rechecking/remarking. HKEAA will charge fees for these supplementary services. All along, it works out the fees for these services on a cost recovery basis without any subsidization from its other examination fees income or reserve of the Authority. The proposed fee

levels for the supplementary services are examined and approved by the Council of HKEAA, having regard to the cost-recovery principle.

17. The supplementary services are not essential services or necessary procedures for a candidate to sit for the examinations, whereas the objective of the Examination Fee Remission Scheme (EFRS) administered by the Student Financial Assistance Agency (SFAA) and the Comprehensive Social Security Assistance administered by the Social Welfare Department is to provide needy students with financial assistance to sit for public examinations. On the basis of this objective, both schemes all along do not provide assistance for these non-essential supplementary services. Nevertheless, HKEAA may still consider waiving all or part of the supplementary fees for candidates with grave financial difficulties on a case-by-case basis. Fees for rechecking/remarking will also be refunded to candidates who get an upgrade in the examination result after the review.

18. According to HKEAA, though the number of rechecking/remarking cases (including both school candidates and private candidates) for the HKCEE and HKALE is 17 211 and 25 063 respectively in 2010, the percentage of cases with the subject grades upgraded after rechecking/remarking is only 3.9% for HKCEE and 3.7% for HKALE. Having regard to the need to discourage frivolous requests for rechecking/remarking, we see no need to extend financial assistance generally to the costs for rechecking/remarking given the relatively low percentages of grades upgrade and given the fact that, under the current arrangements, the fees for rechecking/remarking will already be fully refunded to candidates who get an upgrade.

19. Nevertheless, HKEAA will continue to enhance the quality and reliability of the examinations through the implementation and expansion of various initiatives on examination paper marking and grading, onscreen marking and double marking.

Eligibility criteria for receiving full and half level of assistance under EFRS and whether any review would be conducted on the eligibility criteria for the financial assistance schemes administered by SFAA in the light of the implementation of the statutory minimum wage

20. To provide enhanced support for needy students, the Financial Secretary announced in the 2011-12 Budget the proposals to relax the income ceiling for full level of financial assistance for the student

financial assistance schemes administered by SFAA and to adjust the existing tiers of financial assistance for post-secondary students such that those who are not eligible for full level of assistance would also receive a greater amount of assistance. Specifically, under the relaxed means test of SFAA, to be eligible for full and half examination fee remission in the 2011/12 school year, the equivalent monthly family income limits as translated from the Adjusted Family Income (AFI) formula (used to conduct the income test) in respect of different family sizes are as follows

Family Size	New AFI threshold for <u>full</u> examination fee remission	Equivalent monthly family income limit for <u>full</u> fee remission	% of median monthly household income (Q2 2010)	AFI threshold for <u>half</u> examination fee remission	Equivalent monthly family income limit for <u>half</u> fee remission	% of median monthly household income (Q2 2010)
1	\$29,738	\$4,956 (\$3,588)	76%	\$57,502	\$9,583	147%
2	\$29,738	\$7,434 ³ (\$5,383)	53%	\$57,502	\$14,375 ⁴	103%
3	\$36,000	\$12,000 ⁵ (\$7,177)	67%	\$57,502	\$19,167 ⁶	106%
4	\$33,120	\$13,800 (\$8,971)	58%	\$57,502	\$23,959	102%
5	\$29,738	\$14,869 (\$10,766)	51%	\$57,502	\$28,751	99%
6	\$29,738	\$17,347 (\$12,560)	53%	\$57,502	\$33,542	103%

N.B. Figures in brackets indicate the limits under the existing mechanism before relaxation.

21. According to the latest estimates, in the 2011/12 academic year, the proposed relaxation would raise the assistance level of around 98 000 students to full level of assistance, and the percentage share of students receiving full level of assistance would substantially increase from around 30% at present to around 59% of all the beneficiaries.

22. The above proposed revisions to the income thresholds have been drawn up after taking into account a host of relevant considerations, including the equivalent monthly family income limits for full assistance under the existing AFI formula for different family sizes and their respective percentages of the median monthly household income, the distribution of existing beneficiaries by levels of assistance, the need to take care of smaller families having regard to their relative difficulty in deploying resources in times of need, as well as the estimated impact of

³ Monthly family income limit for full fee remission for 2-member single-parent families is increased to \$12,000.

⁴ Monthly family income limit for half fee remission for 2-member single-parent families is increased to \$19,167.

⁵ Monthly family income limit for full fee remission for 3-member single-parent families is increased to \$13,800.

⁶ Monthly family income limit for half fee remission for 3-member single-parent families is increased to \$23,959.

the statutory minimum wage on the monthly family income. We have consulted the Panel on Education on the details of the proposals at its meeting held on 9 May 2011. We plan to seek the approval of the Finance Committee on 27 May 2011.

23. We would closely monitor the changes in the median monthly household income levels following the implementation of the statutory minimum wage after the above relaxation proposals have come into effect. We would consider the need for any further changes having regard to the needs of the low-income families for the various types of student financial assistance as well as the financial implications on public resources.

Education Bureau
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