

NOTE FOR FINANCE COMMITTEE

Grant to the Hong Kong Examinations and Assessment Authority for Temporary Accommodation of a Centralized Onscreen Marking Centre on Hong Kong Island

PURPOSE

This paper informs Members of Government's plan to extend the rental period of a temporary Onscreen Marking (OSM) Centre of the Hong Kong Examinations and Assessment Authority (HKEAA) on Hong Kong Island which will be funded by the outstanding balance of the non-recurrent commitment approved under FCR(2006-07)18 and FCR(2010-11)45.

BACKGROUND

2. To facilitate HKEAA's implementation of Centralized OSM of public examination answer scripts and as a stop-gap arrangement before the establishment of the permanent OSM Centre on Hong Kong Island (Island OSM Centre), the Finance Committee (FC) approved the following funding for renting premises for a temporary Island OSM Centre –

- (a) a non-recurrent commitment of \$16 million to meet the four-year rental cost from July 2006 (FCR(2006-07)18 on 7 July 2006); and
- (b) an increase of the non-recurrent commitment by \$41.15 million (from \$16 million to \$57.15 million) to extend the rental period by **about five years from December 2010¹ until the establishment of the permanent Island OSM Centre**, with the exact amount of grant to HKEAA being the actual rental from December 2010 to November 2015 and capped at \$41.15 million (FCR(2010-11)45 on 3 December 2010).

/EXTENDING

¹ The approved grant of \$16 million vide FCR(2006-07)18 to cover the rental for the temporary Island OSM Centre was used up in May 2010. HKEAA absorbed the rental between June and November 2010 from within its reserve until FC approved an increase of the commitment to \$57.15 million vide FCR(2010-11)45.

EXTENDING THE RENTAL PERIOD OF THE TEMPORARY ISLAND OSM CENTRE

Progress of setting up OSM Centres in the territory

3. HKEAA has introduced Centralized OSM of public examination answer scripts by phase since 2007, with implementation in all 24 Category A subjects of the Hong Kong Diploma of Secondary Education Examination (HKDSEE)² from 2013. The initiative requires a total of four permanent OSM Centres across the territory to provide reasonable accessibility for markers. Two permanent OSM Centres have been established in vacant school premises in Kowloon West and the New Territories with a total of around 540 workstations. As for the remaining two in Kowloon East and Hong Kong Island, HKEAA's long-term plan is to redevelop its existing premises in San Po Kong as the HKEAA headquarters, so that the new headquarters can house the permanent Kowloon East OSM Centre and the Wan Chai office at the Southorn Centre can be vacated to accommodate the Island OSM Centre upon relocation of the existing operations in the Wan Chai office to the new headquarters.

4. To meet the needs during the transitional period, HKEAA has set up a small-scale temporary OSM Centre in its existing premises in San Po Kong with around 70 workstations and rented temporary premises for the Island OSM Centre (using funding approved by FC as detailed in paragraph 2 above) with around 380 workstations. As the redevelopment of HKEAA headquarters in San Po Kong (hence the establishment of the two outstanding permanent OSM Centres) will take longer time to materialize, HKEAA has pursued alternative interim strategies on the provision of temporary OSM facilities to better cope with the demand of markers and avoid further costs of leasing commercial premises for the Island OSM Centre.

5. Starting from the 2012/13 school year, HKEAA has identified vacant classrooms in schools to set up small scale on-campus OSM Centres. So far, eight small scale on-campus OSM Centres with 480 workstations have been set up in different regions (including one centre on Hong Kong Island with 40 workstations) to meet the need for temporary OSM facilities. Strenuous efforts are being made to identify sufficient locations to set up more on-campus OSM Centres to entirely replace the temporary Island OSM Centre.

/Need

² HKDSEE subjects are divided into three categories, including 24 senior secondary subjects comprising four core subjects and 20 elective subjects (Category A subjects), applied learning subjects (Category B subjects) and other language subjects (Category C subjects).

Need for extension of the rental period of the temporary Island OSM Centre

6. The temporary Island OSM Centre is located in Fortress Hill. It occupies two floor levels and has a total floor area of about 1 920 square meters (m²), providing about 380 workstations. The existing tenancy will expire by the end of November 2015, in line with the tenure set out in FCR(2010-11)45.

7. While HKEAA has started to identify schools on Hong Kong Island for setting up on-campus OSM Centres with a view to replacing the temporary Island OSM Centre in Fortress Hill, HKEAA is not optimistic about meeting the target by the end of the tenancy in November 2015. The difficulty is due to the fact that schools on the Hong Kong Island tend to be smaller in size and are more congested. So far, one on-campus centre on Hong Kong Island which can accommodate 40 workstations, out of a total of 380 workstations required, has been set up for use starting from the 2014 HKDSEE.

8. To allow more time for HKEAA to identify and set up sufficient on-campus OSM Centres for markers on Hong Kong Island, HKEAA will extend the rental period of **one floor level** of the temporary Island OSM Centre within the limit of the approved non-recurrent commitment. The floor area of the rented premises will be reduced by half to about 980m² to provide 180 workstations. HKEAA considers that one instead of two floor levels will be adequate for the purpose because the plan of setting up on-campus OSM Centres to accommodate existing workstations of the temporary Island OSM Centre has been underway. The extension of rental period of one floor level of the temporary Island OSM Centre serves to provide a smooth transition for the full implementation of the planned on-campus OSM Centres as the alternative interim strategy before the permanent Island OSM Centre comes into place.

9. HKEAA will continue the efforts in identifying more suitable schools for setting up on-campus OSM Centres on Hong Kong Island, as well as other convenient locations in Kowloon and the New Territories to make up for the shortfall on the Hong Kong Island. The short-term extension of the rental period of the temporary Island OSM Centre in Fortress Hill is **final**. This is also in line with the purpose of the approved non-recurrent commitment, i.e. to cover the rental pending the establishment of a permanent Island OSM Centre.

/FINANCIAL

FINANCIAL IMPLICATIONS

10. The outstanding balance of the non-recurrent commitment is estimated to be \$5.9 million as at 30 November 2015. This is sufficient to meet the rental and related costs of extending the rental period of one floor level of the temporary Island OSM Centre at least until the completion of the 2016 HKDSEE cycle at the end of September 2016. No additional funding is required.

11. Members are invited to note this paper.

Education Bureau
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