

Chapter XIII : Education and Manpower

13.1 At the Chairman's invitation, the Secretary for Education and Manpower (SEM), Mr Joseph W P WONG, gave a presentation highlighting the major tasks under his policy areas of education and manpower in 2000-01 (Appendix V-12a & V-12b).

Education

Review of the education system

13.2 Miss Emily LAU expressed her concern about the lack of public participation in the review of the education system by the Education Commission (EC), and enquired if resources had been allocated to actively involve the community, in particular parents, in the review process. In response, SEM assured members that after the Commission had drawn up its initial recommendations for stage III of the review, a detailed consultation paper on the reform proposals would be released in late April 2000 for public consultation in the following two to three months. In this regard, adequate provisions had already been included in the 2000-01 Estimates for wide publicity of the initial recommendations.

13.3 To enhance effectiveness, Miss Emily LAU suggested that consultation should preferably take the form of focus group discussions on the Commission's recommendations rather than simply holding large-scale fora on the broad principles of the planned reforms. In response, the Director of Education (D of E) advised that consultation in relation to the education review had always been conducted on both territory-wide and district bases. For example, in stage II of the review, apart from a territory-wide public forum hosted by the EC, the Education Department (ED) also organized four regional teacher fora and briefings for individual schools at their request. To help conduct the coming round of consultation, directorate officers of ED were already preparing to visit different districts to explain the proposed reforms and to hold briefings for individual schools, if required.

13.4 In this regard, Mr SZETO said that it might not be necessary to deploy directorate staff in ED to conduct the consultation as the participants might be less ready to express their views to such senior officers. He further suggested that the consultation exercise should also target at parent-teacher associations in schools. In response, D of E said that officers who conducted the consultation sessions must be familiar with the reform proposals and the underlying rationale.

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She added that ED's resources would be redeployed internally as far as practicable to support EC's consultation exercise.

13.5 In reply to Mr SZETO Wah's enquiry about details of the Commission's proposals for which \$800 million had been reserved in 2000-01, the Deputy Secretary for the Treasury (1) (DS(Tsy)1) clarified that the \$800 million had not been worked out on the basis of any proposals but was the maximum additional provision that could be made available within the ceiling of expenditure of the 2000-01 Estimates. She advised that if further resources were required to implement the final recommendations of the Commission, the Bureau would bid for funds in the resource allocation exercise in the following year.

Allocation of resources for education

13.6 Noting the record high estimated expenditure on education in 2000-01, which amounted to 4.15% of Hong Kong's GDP, Mr YEUNG Yiu-chung sought the Administration's view on the possibility of further increases. In reply, SEM said that the high percentage was the result of significant increases in expenditure on education during the past five years. He also pointed out that the Administration had always accorded high priority to education and hence, where additional resources were available under the Estimates, a substantial proportion was earmarked for education purposes.

13.7 Professor NG Ching-fai however considered that the resources provision for education, especially that for tertiary education, was still inadequate. Referring to the 10% point-to-point reduction in the student unit costs of the University Grants Committee (UGC)-funded institutions in the 1998-2001 triennium, he cautioned that any further reduction in funding for tertiary education would adversely affect the quality of education.

13.8 In reply, SEM pointed out that the reduction in student unit costs had not affected the quality of tertiary education. As agreed with UGC, half of the savings achieved could be retained by the institutions concerned for development of quality-related initiatives such as Areas of Excellence (AoEs). For example, more than \$50 million had been allocated in 1999 for the development of three proposals from the institutions selected for funding under the AoE scheme. SEM further confirmed that although the Administration had not decided on the funding arrangements for tertiary education for the 2001-04

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triennium pending recommendations from the UGC, there were no plans for further reduction in funding. SEM nevertheless took note of Professor NG's suggestion that where further recurrent expenditure could not be made available, non-recurrent provisions such as funding for building more primary schools to expedite the implementation of whole-day schooling should be explored.

School Improvement Programme

13.9 Mr CHEUNG Man-kwong referred to the shelving of improvement works for 109 schools pending the completion of a consultancy study to review the cost-effectiveness of the existing School Improvement Programme and enquired about the provisions allocated for implementing improvement works in these schools upon completion of the study. In reply, SEM explained that the works in question had been shelved because the estimated costs incurred were too high. Pending completion of the consultancy study in April 2000 to identify more cost-effective ways of carrying out the works, no specific provisions had been made in 2000-01 Estimates for such purposes.

13.10 Mr CHEUNG Man-kwong considered the Administration's reply unsatisfactory. He was gravely concerned that in the absence of provisions, improvements to the 109 schools would be unduly delayed. In response, SEM pointed out that some \$380 million had been set aside under Subhead 8100QX of the Capital works Reserve Fund for alterations, additions, repairs and improvements to education subvented buildings to cater for urgent minor school improvement works not exceeding \$15 million per project. Moreover, where necessary, approval would also be sought from the Finance Committee for additional funding to carry out works to effect long-term improvement to the schools concerned.

Information technology in education

13.11 Mrs Selina CHOW highlighted the growing importance of enhancing the use of information technology (IT) in teaching and learning and questioned whether the provision of \$14 million for training teachers to apply IT in education was adequate. In reply, D of E clarified that IT training for teachers was an integral part of a five-year strategy implemented since 1998 to step up the application of IT in education. A total of over \$100 million had in fact been

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allocated under the said strategy for the purpose of providing IT training for teachers at four different levels. D of E confirmed that the training programme had been implemented on schedule while schools had also been given the flexibility to organize their own school-based teacher training courses according to their needs.

13.12 Mrs Selina CHOW questioned the effectiveness of implementing an IT strategy over a period of five years, given the very rapid developments in IT. In response, D of E highlighted the need for a progressive strategy in order that students and teachers were well prepared for wider use of IT. Members noted that under the five-year strategy, basic IT facilities were provided to schools in the first year. Concurrently, teachers were trained in applying IT to teaching. In recognition of the differences in IT readiness of individual schools, regional support teams had been set up to provide advice and IT support to schools. IT co-ordinators were also provided for individual schools. D of E added that the progress in the application of IT in education had so far been very good.

Secondary education

School places

13.13 Mr TSANG Yok-sing referred to the shortfall of some 6,000 Secondary 1 places in the 1999-2000 school year as a result of the exceptionally high birth rate in the last "Year of the Dragon" in 1988, and questioned why the increased demand for school places had not been reflected in the estimated number of secondary 1 to 3 students in 2000-01.

13.14 In response, D of E assured members that sufficient Secondary 1 places were available to cater for the increase in students of the relevant age group. On whether the increase had been reflected in the 2000-01 estimate, D of E pointed out that as the figure given in the Estimates represented the total number of Secondary 1 to 3 students, an increase in Secondary 1 students might not necessarily lead to an increase in the total number of junior secondary students. Nevertheless, she agreed to provide a more detailed breakdown after the meeting.

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Direct Subsidy Scheme

13.15 Noting the estimated 0.8% increase in the percentage of Secondary 1 to 3 students studying in Direct Subsidy Scheme (DSS) schools in the overall enrolment in ordinary secondary schools in 2000-01, Mr LEE Cheuk-yan enquired about the target, if any, which ED aimed to achieve by implementing measures to foster the development of quality DSS schools. In reply, SEM confirmed that there was no pre-determined target but the Administration considered it important to introduce greater diversity into the education system to provide students with a wider choice.

13.16 As schools joining DSS would charge school fees, Mr LEE Cheuk-yan urged the Administration to ensure that less well off students would not be deprived of the chance of enrolling in quality schools which joined DSS. Addressing his concern, D of E pointed out that the school fees charged by DSS schools might not necessarily be very high and in fact, the school fees charged by some of DSS schools were even lower than the "Tong Fai" presently charged by certain aided schools. Moreover, the Administration would ensure that these schools would offer scholarships or other forms of financial assistance for needy students.

Native-speaking English Teachers Programme

13.17 Mr Howard YOUNG enquired why only some 410 Native-speaking English Teachers (NETs) had been recruited, instead of the original target of 700. In reply, the Deputy Director of Education assured members that the 400 NETs currently in service would enable every school to have at least one NET. The target number of NETs under the scheme had initially been set at 700 mainly because Chinese-medium schools were given the option to recruit an additional NET to fill one English teacher post in their schools. However, it was noted that schools were more inclined to recruit local teachers with comparable qualifications.

13.18 Mr Howard YOUNG suggested that consideration might be given to providing some training to the spouses of expatriates working in Hong Kong so that they could teach English in schools. D of E responded that their service might be useful for organizing school activities aimed at improving students' English. As formal training in education was required for teaching English as a foreign language in classes, native speakers without such training could not be

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employed as NETs in local secondary schools.

Manpower

Manpower needs for the information technology industry

13.19 As one of the objectives of the Education and Manpower Bureau (EMB) was to develop a well-trained and adaptable workforce, Miss Emily LAU was concerned about the shortage of trained IT personnel to meet market needs. She enquired whether Hong Kong had adequate IT personnel for its development into a knowledge-based economy, and whether there was any consensus in the community to admit more overseas IT professionals into Hong Kong which, in her view, would be conducive to creating more employment opportunities for the local workforce.

13.20 In response, SEM acknowledged that there was a global demand for IT personnel due to the rapid development of the industry. In order to meet Hong Kong's manpower needs, more IT-related programmes were run by universities while various training institutions had increased their training and retraining courses in IT. On the admission of overseas personnel, SEM remarked that there was growing awareness in the community of the need to exercise greater flexibility in the admission of overseas IT personnel which could help relieve certain bottlenecks in the supply of trained manpower. In this connection, SEM considered the Admission of Talents Scheme targeted at professionals in the Mainland a major step forward but its effectiveness had to be observed in the light of operational experience. As regards professionals from other countries, SEM confirmed that as long as the expertise in question was not available in Hong Kong, they could apply to work in Hong Kong in accordance with existing immigration requirements.

13.21 Regarding the role of EMB in the said Admission Scheme, members noted that EMB was represented on its Selection Committee. On the eligibility criteria, SEM said that a Ph D degree was not a pre-requisite for entry. In response to some members' concern about the need or otherwise to further liberalise the existing requirements to facilitate the entry of overseas IT personnel, SEM advised that he would consider the matter in conjunction with the Immigration Department and Security Bureau.

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Employment and retraining services

Provision of resources

13.22 Noting that the revised Estimate in 1999-2000 for the Labour Department (LD)'s programme area of Employment Services was lower than the approved provision, Miss CHAN Yuen-han queried whether there had been any under-spending in LD's much-demanded employment services. In response, the Commissioner for Labour (C for L) pointed out that in 1999-2000, LD had been able to provide additional services through re-deployment of existing resources. Therefore, the approved provision had not been exhausted. C for L added that in 2000-01, additional provision of some \$3 million would be allocated to LD, mainly to strengthen its interactive employment services.

13.23 Referring to the additional provision of up to \$300 million allocated for implementing new measures to provide training and retraining opportunities, Miss CHAN Yuen-han questioned whether a mechanism was in place to ensure that the resources so spent could meet Hong Kong's needs. In reply, SEM explained that most of the proposals were in fact built on the success of similar existing schemes. He also assured members that the effectiveness and progress of the various measures would be closely monitored.

13.24 On Mr Andrew CHENG Kar-foo's suggestion of introducing a voucher system in place of providing direct subsidies to training institutions so as to achieve greater flexibility and cost-effectiveness, SEM pointed out that this arrangement would have significant policy implications and had to be examined in greater detail. He further advised that the planned "Project Springboard", under which a subsidy would be provided to students in the form of a 30% reimbursement of tuition fee, could be regarded as an experimental voucher system. It was expected that the outcome of this project would shed light on the feasibility of a voucher system.

13.25 For better utilization of resources, Mr TAM Yiu-chung enquired about the feasibility of making available the premises of Government or aided schools for the use of training institutions in organizing vocational training courses. In reply, D of E said she agreed in principle that school premises should be better utilized to serve community needs. However, the Administration would need to examine this proposal in detail, including related issues such as security, insurance, and whether the schools had the necessary equipment for the

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courses.

Funding arrangement for the Employees Retraining Board

13.26 Noting that funding to the Employees Retraining Board (ERB) was provided in the form of non-recurrent grants on a case by case basis, members expressed grave concern that in the absence of a constant source of funding from the Government, it was very difficult for ERB to formulate forward-looking and long-term plans. Mr TAM Yiu-chung, Chairman of ERB, highlighted the importance of a stable source of funding to enable ERB to initiate plans to address the medium and long-term retraining needs of the community. He urged the Administration to seriously re-consider the funding arrangements for ERB. Members also expressed support for a review of the existing arrangement.

13.27 In response, SEM clarified that as at the end of March 2000, ERB had an accumulated balance of some \$540 million and the estimated expenditure for 2000-01 was over \$410 million. After taking into account the levy and fee income, the unused balance of ERB by the end of 2000-01 would be in the region of \$170 million. He confirmed that that ERB had sufficient funding to implement its planned services in 2000-01. Nevertheless, he and DS(Tsy)1 agreed to further consider members' views on the funding arrangements for ERB.

Unemployment and retraining of the workforce

13.28 Mr LEE Cheuk-yan considered that the Administration had not done much to tackle the unemployment problem faced by persons aged 40 and above with an academic standard below Form 3 who were bound to lose out in Hong Kong's transformation to a knowledge-based and technology-intensive economy. Miss CHAN Yuen-han shared similar concern and questioned the effectiveness of the Administration's work in this area.

13.29 In response, SEM highlighted the following training/retraining opportunities in 2000-01 :

- (a) ERB would continue to sponsor courses for both employed and unemployed persons aged 30 and above with an academic standard below Form 3;

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- (b) provisions had been made in 2000-01 to enable the Vocational Training Council and ERB to provide an additional 1 000 training places for IT assistants for persons with secondary school education level; and
- (c) the proposed expansion of the Non-means Tested Loan Scheme (NTLS) to cover, inter alia, courses run by recognized training institutions, which would increase the estimated number of eligible recipients from 200 000 to 700 000, would likely benefit some of the lowly qualified middle-aged persons.

13.30 Mr Andrew CHENG queried whether the additional provision of \$173 million for the planned extension of the scope of the NTLS adequate, given the increase in the number of eligible applicants. In reply, SEM pointed out that according to past experience, only about 5% to 10% of the eligible applicants would apply for loans under the Scheme. Moreover, provision for the Scheme would increase with the increase in applications, not to mention that funds could be recycled upon repayment of the loans.

13.31 SEM also informed members that a provision of \$3.5 million had been earmarked to conduct two large-scale studies on the impact of China's accession to the World Trade Organization and one of the studies would focus on the employment prospect and retraining needs of middle-aged and low-skilled persons. Upon completion of the study in August 2000, the Administration would be in a better position to formulate a longer-term policy in this regard.

13.32 Mr LEE Kai-ming questioned the effectiveness of the said study to address the immediate unemployment problem faced by middle-aged and low-skilled persons and asked whether additional resources had been earmarked to implement recommendations arising from the study. In response, SEM assured members that of the \$300 million earmarked for implementing new measures to promote employment, training and retraining in 2000-01, a certain portion had been reserved to fund possible new initiatives, including recommendations of the study. As regards the unemployment situation, SEM advised that the overall unemployment rate had dropped steadily and was expected to further improve in the near future.

13.33 Mr CHAN Wing-chan asked whether the said studies would include an assessment on the effect of recent political changes in Taiwan on Hong Kong's

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economy and job market. In reply, SEM advised that the consultant might be requested to also look at changing circumstances in neighbouring economies which might impact on Hong Kong but the studies would not focus on the effect of particular political events.

Tripartite co-operation

13.34 Mr James TIEN commented that the current training and retraining programmes had not been able to keep pace with the fast-changing needs of the economy, thus resulting in a mismatch between job seekers and job vacancies. Noting that the Administration was in the course of consulting employers on the effectiveness of the Youth Pre-employment Training Programme (YPTP), Mr TIEN urged the Administration to allocate resources for paying visits to employers at their premises so as to gauge their views on manpower needs, instead of consulting only trade associations/chambers of commerce or relying on the employers to complete and return questionnaires.

13.35 In response, SEM pointed out that LD would make use of its existing resources to conduct the consultation. C for L further advised that apart from presenting the YPTP to major chambers of commerce as the first step, LD would also conduct briefings for members of chambers of commerce, as well as visit the 600 participating organizations in the YPTP to collect their views. He further reported that feedbacks received from major chambers of commerce, the Employers' Federation of Hong Kong and the Hong Kong Small and Medium Enterprises Association so far were highly favourable. C for L assured members that the Administration would also actively promote the Programme by way of publications issued by LD, web pages and APIs.

13.36 In this connection, SEM stressed the importance of co-operation from the Government, employers and employees in making the YPTP and other retraining initiatives a success. Whilst agreeing with the need for tripartite co-operation, the Chairman urged the Administration to take a fresh look at its overall manpower strategy to keep pace with the rapid changes in Hong Kong's economy.

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Occupational safety and health

Provision of resources

13.37 Mr Andrew CHENG questioned why the estimated expenditure on improved occupational safety and health standards in Government departments for 2000-01 was lower than the revised Estimate for 1999-2000 despite the forthcoming enactment of several pieces of safety legislation and the consequential need for greater enforcement action.

13.38 In response, SEM explained that as the Occupational Safety and Health Ordinance had been in force for over two years, most Government departments had already purchased the necessary equipment and provided training to their staff in order to comply with the statutory requirements and hence, it was possible to reduce the estimated provision in the coming year. In this connection, C for L added that on the operational front, a number of Occupational Safety Officers of LD had recently completed their training and were now performing their statutory duties to enforce safety at work. He and SEM thus assured members that the enforcement of occupational safety and health would in no way be compromised as a result of the reduced provision.

13.39 In response to Mr Andrew CHENG's concern about insufficient professional staff such as occupational health officers and specialists on occupational diseases, C for L pointed out that contrary to such criticisms, favourable feedbacks had in fact been received on the services of the two Occupational Health Clinics in Kwun Tong and Shamshuipo.

Industrial accidents

13.40 Miss Emily LAU noted that there was minimal improvement in the rate of fatal accidents in non-industrial undertakings (NIUs) while the rate of non-fatal accidents in these undertakings rose considerably. She sought clarification on the cost-effectiveness of the measures to improve industrial safety and how Hong Kong compared with overseas countries in its industrial accident records.

13.41 C for L stressed that LD attached great importance to industrial safety, particularly in the construction industry where the accident rate was the highest. Pursuant to LD's new approach in tackling the problem, the accident rate in the construction industry had dropped by 30% in the first three quarters of 1999

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compared with the same period in 1998. Currently, the rate of construction workers injured at work had dropped from the past record of one in four to one in five. He highlighted some of the new measures currently adopted by LD as follows-

- (a) after the occurrence of an accident, communicating directly with the top management of the contractor(s) concerned to investigate and offer assistance;
- (b) maintaining close liaison with relevant Government departments and trade associations such as the Housing Authority, Works Bureau and the Hong Kong Construction Association with a view to sanctioning contractors with unsatisfactory safety records; and
- (c) stepping up education and publicity programmes on industrial safety.

13.42 Regarding the 5% rise in accidents in NIUs, C for L advised that most of them only resulted in minor injuries. In the catering industry, for example, the rise in minor accidents might be attributable to inadequate supervision at work and unsatisfactory housekeeping, particular at times when business was good. As to whether it was possible to further break down the number of accidents in NIUs into serious or minor ones so as to reflect more accurately the actual situation, C for L indicated that there might be some technical difficulty but agreed to consider the matter, including the Chairman's suggestion of classifying the seriousness of the injuries by the duration of incapacity.

13.43 C for L concurred that Hong Kong still compared unfavourably with some overseas countries in the standard of industry safety, particularly in the construction industry. At the request of Miss Emily LAU, he agreed to collect information on industrial accidents in overseas countries for members' reference. He nevertheless cautioned that the information might not be strictly comparable as different countries might adopt different definitions for certain types of accidents.