

**Bills Committee on the Education (Amendment) Bill 2002**

**Administration's Response to Issues Raised at  
the Meeting on 14 April 2004**

**Purpose**

This paper sets out the Administration's response to the issues raised by Members at the Bills Committee meeting on 14 April 2004 about schools under the Direct Subsidy Scheme (DSS) and non-aided schools in receipt of government subsidies.

**DSS Schools**

2. Members requested the Administration to clarify whether after the enactment of the Bill, new DSS schools which had not yet applied for school premises from the Government would be required to establish an incorporated management committee (IMC) in accordance with the provisions of the Bill; and an aided school which had established an IMC could dissolve the IMC when it changed to DSS status.

3. The Government's policy to foster the development of DSS schools is to inject variety into modes of school operation and to provide parents with more choices. On the other hand, subsidies are provided to DSS schools by the government based on the number of students the schools could recruit. Parental choices therefore will have significant impact on DSS schools.

4. At present, new DSS schools have to sign a service agreement with the Education and Manpower Bureau, which requires the school management committee (SMC) to be registered as an incorporated body including parent(s), teacher(s), alumni and independent community member(s). Hence, it is not necessary for new DSS schools to establish an IMC in accordance with the provisions of the Bill.

5. We have consulted school councils, including the Hong Kong Direct Subsidy Scheme Schools Council, on the suggestion that new DSS schools be required to comply with the new requirements in the law. They object to further amendment of the Bill at this stage and hold the views that DSS schools should be allowed greater flexibility and autonomy in management and finance. There are also individual views that there should not be different requirements for DSS schools established before and after the enactment of the Bill, as this would be seen as divisive to DSS schools.

6. In view of the above, we shall not amend the provisions about DSS schools in the Bill. After the commencement of the Ordinance, operating or new DSS schools can, according to their own situation, choose whether or not to establish an IMC under the Education Ordinance.

7. After the commencement of the Ordinance, when an aided school which has established an IMC changes to become a DSS school, its sponsoring body may choose to have the school continued to be managed by the IMC according to the provisions of the Bill or dissolve the IMC and form a new SMC in accordance with the requirements of the DSS. Since there are no provisions in the Bill for the transitional arrangement in respect of aided schools changing to DSS status, we shall propose to amend the Bill to include such provisions.

### **Non-aided schools in receipt of Government subsidies**

8. Members requested the Administration to provide the types and number in respect of "non-aided schools in receipt of Government subsidies" stipulated in the Bill.

9. "Non-aided schools in receipt of Government subsidies" stipulated in the Bill covers caput schools which receive Per Caput Grant and private independent schools which receive Capital Grant from the Government. Currently there are altogether nine caput schools and three such private independent schools.

Education and Manpower Bureau  
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