

**立法會**  
**Legislative Council**

LC Paper No. CB(2)627/02-03  
(These minutes have been seen  
by the Administration)

Ref : CB2/PL/ED

**Panel on Education**

**Minutes of meeting**  
**held on Monday, 18 November 2002 at 4:30 pm**  
**in Conference Room A of the Legislative Council Building**

- Members Present** : Dr Hon YEUNG Sum (Chairman)  
Hon YEUNG Yiu-chung, BBS (Deputy Chairman)  
Hon Eric LI Ka-cheung, JP  
Hon CHEUNG Man-kwong  
Hon LEUNG Yiu-chung  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon CHOY So-yuk  
Hon SZETO Wah  
Hon Tommy CHEUNG Yu-yan, JP  
Dr Hon LO Wing-lok  
Hon Audrey EU Yuet-mee, SC, JP  
Hon MA Fung-kwok, JP
- Members Absent** : Dr Hon David CHU Yu-lin, JP  
Hon Cyd HO Sau-lan  
Hon WONG Sing-chi
- Public Officers Attending** : **Item IV and V**  
Professor Arthur LI, GBS, JP  
Secretary for Education and Manpower  
  
Mrs Fanny LAW, JP  
Permanent Secretary for Education and Manpower

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**Item VI**

**Hong Kong Examinations and Assessment Authority**

Mr CHOI Chee-cheong  
Secretary General

Mr Peter LEUNG Kam-yuen  
Head of Finance

**Clerk in Attendance** : Miss Flora TAI  
Chief Assistant Secretary (2)2

**Staff in Attendance** : Mr Stanley MA  
Senior Assistant Secretary (2)6

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**I. Confirmation of minutes**  
[LC Paper No. CB(2)350/02-03]

The minutes of the meeting held on 28 October 2002 were confirmed.

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

2. Members noted the paper on "Local Student Finance Scheme - Review of fixed interest rate" which was issued to members on 29 October 2002 [LC Paper No. CB(2)200/02-03(01)].

**III. Items for discussion at the next meeting**  
[Appendices I and II to LC Paper No. CB(2)348/02-03]

3. Mr CHEUNG Man-kwong said that in the light of an increasingly tight budget of the Education Department (ED), ED might reduce its role in the regulation of private schools offering non-formal curriculum, and some private schools associations had indicated their wish to present their views to Panel members. Mr CHEUNG therefore suggested and members agreed that the item "Regulation of the operation of private schools offering non-formal curriculum" be put on the list of outstanding items for discussion.

4. Mr LEUNG Yiu-chung suggested that the Panel should follow up discussion on the provision of support for students with learning difficulties.

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Permanent Secretary for Education and Manpower (PSEM) explained that ED was co-ordinating efforts with the Department of Health, the Hong Kong Examinations and Assessment Authority and parent-teacher associations on arrangements to improve the support services in schools. PSEM undertook to provide a progress report on the latest developments and suggested that the Panel should discuss the provision of special education and integrated education for students with different types of learning difficulties at a future meeting. Members agreed.

5. Ms Emily LAU suggested that the Panel should follow up the item on "Reservation of school sites" to ascertain whether sufficient school sites had been reserved for "teaching in small classes" if implemented and representatives of the Housing, Planning and Lands Bureau should also join the discussion. PSEM responded that the Administration should be able to provide a paper on the latest development of the issue for discussion at the meeting scheduled for Monday, 20 January 2003.

6. Members agreed to discuss the following items at the next meeting -

- (a) Quality indicators for measuring value-added improvement in student performance (proposed by the Administration);
- (b) Recruitment of native-speaking English teachers (proposed by the Administration); and
- (c) Insurance coverage for teachers (proposed by Mr YEUNG Yiu-chung).

Clerk

7. Members noted that some items had been put on the list of outstanding items for discussion for a long time. At Mr CHEUNG Man-kwong's suggestion, members agreed that the Clerk should consult the members concerned as to whether the items should be kept on the list.

**IV. Briefing by the Secretary for Education and Manpower**  
[LC Paper No. CB(2)155/02-03(01)]

8. Secretary for Education and Manpower (SEM) extended his apologies to the Panel for being unable to attend the meeting held on 28 October 2002 due to some urgent personal reasons. SEM said that the four key issues on the education agenda for 2002-03 were, namely, efficiency drive, system review and development, legislative programme, and teaching and learning. He would be pleased to respond to members' questions on these issues.

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"Teaching in small classes"

9. Referring to paragraph 18 of the Administration's paper, Mr CHEUNG Man-kwong expressed dissatisfaction that although the Administration was aware of the strong calls for a reduction in class size in primary education in the community, it still proposed to conduct a longitudinal study on the impact of "teaching in small classes" from the 2003-04 school year in order to find out the necessary pre-conditions and teaching strategies which would maximise the benefit of "teaching in small classes".

10. Mr CHEUNG Man-kwong further said that an officer of ED had publicly announced that a longitudinal study on the impact of small class size would be conducted in 30 to 40 public sector primary schools with effect from the 2003-04 school year. Participating schools would try out the class size of about 20 students at the junior primary levels. Classes under the longitudinal study would be characterised by four categories, namely; classes of small size taught by teachers with professional training, classes of small size taught by teachers without professional training, classes of regular size taught by teachers with professional training, and classes of regular size taught by teachers without professional training. ED would evaluate the academic performance of participating students in Chinese, English and Mathematics, and observe the teaching activities to assess the impact of "teaching in small classes" on the process of teaching and learning. If justified, the longitudinal study would be extended to senior primary classes for another three years. In other words, a total of six years might be required for completing the longitudinal study. Mr CHEUNG questioned whether the Administration was using the longitudinal study as a delaying tactic. Mr CHEUNG also asked the Administration to clarify whether it had already taken a position on "teaching in small classes".

11. In response, SEM explained that although he personally was in favour of "teaching in small class", the impact of "teaching in small classes" on quality of education was a highly controversial issue among experts and there was so far no conclusive evidence on its effectiveness in teaching and learning. In fact, some experts had argued that the quality of teachers and teaching strategies were more important than class size on quality of education. Given the substantial resources required for implementing "teaching in small classes" in all public sector primary schools, the Administration would have to justify the benefits of "teaching in small classes" by way of conducting a longitudinal study in primary schools. The research design of the study was underway and one of the alternatives under consideration was that research method described by Mr CHEUNG Man-kwong. SEM highlighted that the objectives of the longitudinal study were to find out the relationship between "teaching in small classes" and its effectiveness on teaching and learning. The outcome of the longitudinal study would provide useful references for relevant policy consideration, including how the expertise and teaching strategies of teachers would affect the effectiveness of teaching and learning in classes of small and

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regular sizes. The Administration would formulate a long-term policy objective based on the findings of the empirical study.

12. Mr CHEUNG Man-kwong stressed that provision of professional training for teachers and "teaching in small classes" were both essential to improve the quality of education, and the two should not be considered as mutually exclusive. He was concerned that the Administration sought to determine which one should be adopted for improving the quality of education by way of conducting the longitudinal study. Mr CHEUNG was also of the view that huge additional resources was not necessarily required to implement "teaching in small classes". Citing the experience in Shanghai, he urged the Administration to take the advantage of a decreasing birth rate and implement "teaching in small classes" in a gradual manner.

13. SEM responded that the Administration also attached great importance to professional training for teachers. He explained that the longitudinal study would assess the impact of professional training of "teaching in small classes" because whether suitable teaching strategies were adopted or not would affect the benefits of small class size. He added that the Administration was still considering different alternatives for conducting the longitudinal study, including its duration.

14. Mr LEUNG Yiu-chung pointed out that reduction of the average number of students in primary classes by five and in secondary classes by two was a previous policy commitment but its implementation was deferred due to implementation of whole-day primary schooling and resources constraints. He expressed disappointment that the Administration had now changed its position and proposed to carry out a longitudinal study on "teaching in small classes" as an excuse to further defer the implementation. Mr LEUNG stressed that all teachers would support the implementation of "teaching in small classes" as it would definitely facilitate class management and improve student-teacher interactions in the classrooms. He considered the longitudinal study on the impact of small class size a waste of time and public resources.

15. SEM responded that reducing the size of primary classes from 37 to 32 and secondary classes from 37 to 35 would not bring about substantial benefits to the teaching and learning activities in schools. He stressed that the longitudinal study would test the effectiveness of reducing class size to 20 on the quality of primary education, and the Administration did not seek to change its previous policy commitment. PSEM added that the primary objective of reducing class size was to improve student learning and not to reduce the workload of teachers. The latter could be achieved by other means, e.g. reducing the teaching load per week and unnecessary administrative work.

16. Mr LEUNG Yiu-chung asked why the Administration did not fulfil its policy commitment to reduce primary school class size by five students. He

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also asked whether the Administration had worked out a comprehensive plan to implement "teaching in small classes" in all primary schools if the longitudinal study concluded that class size had a great impact on the quality of education. He doubted whether the Administration had the necessary resources to implement "teaching in small classes" in all primary schools at the same time.

17. SEM responded that the Administration considered that reducing the size of primary school classes by five students was not necessarily cost-effective having regard to the substantial costs incurred. The Administration was now aiming to ascertain the cost-effectiveness of reducing primary class size to 20. He stressed that the government had a great commitment to improve the quality of education as evidenced by a 47% increase of education allocation since 1997.

18. PSEM said that given the budgetary constraints and under the accountability system, the Administration was obliged to use the limited education resources on areas which would produce the maximum impact and which were in the best interest of students. Experience showed that marginal decrease in class size would not improve the effectiveness of learning. Taking reference from overseas experience, the proposed longitudinal study was designed to establish the cost-effectiveness of primary school classes with 20 students and the necessary supporting conditions. She added that despite a significant increase in education expenditure in recent years, there were criticisms that the overall quality of education had not shown a corresponding level of improvement. It was necessary for the Administration to conduct empirical researches to ascertain the most effective ways to improve quality of education.

19. Mr TSANG Yok-sing considered that the Administration should ascertain whether it had the resources to implement "teaching in small classes" in all schools before conducting the longitudinal study. He also expressed doubt about the usefulness of empirical research on formulation of education policies because there would be too many variables which could not be controlled in reality. Mr TSANG pointed out that most education researches had failed to provide conclusive evidence for policy formulation purpose. He said that it was natural that classes which were of a smaller size and taught by trained teachers would achieve the best result in terms of quality of education. Mr TSANG held the view that a slight reduction of class size in primary school classes would definitely help reduce teachers' workload and improve communications between teachers and students in a classroom setting. He asked whether the Government would consider allowing class sizes in schools to reduce as a result of the decreasing number of children of school age.

20. SEM responded that the Administration did not consider it appropriate to make a decision on whether "teaching in small classes" should be implemented and budget funds for it before the findings of the longitudinal

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study on the impact of small class size were available. He agreed that a slight reduction in class size might help improve the quality of education, but the actual benefits would have to be assessed by way of empirical research. SEM stressed that the longitudinal study would help determine the optimal class size for primary education and identify the role and functions of teachers in the teaching and learning in both small and regular classes. The Administration would formulate its policies and implementation strategies for cost-effective use of education resources after a careful examination of the results of the longitudinal study. PSEM supplemented that the longitudinal study on the impact of small class size was still at its planning stage. The Administration would consider members' views on the research design.

21. Mr SZETO Wah also questioned the usefulness of conducting the longitudinal study on the impact of small class size. He queried whether the results of "teaching in small classes" could be assessed if only one class in each pilot school was under study. He added that the benefits of "teaching in small classes" to teachers and students were apparent.

22. The Chairman, Mr TSANG Yok-sing and Mr SZETO Wah suggested that the Administration should consider maintaining the education allocation to primary schools at the current level and allow primary schools to operate smaller classes in case their student intake decreased as a result of a declining birth rate.

23. SEM responded that to ensure cost-effective use of the said funds, the Administration would have to carefully assess the cost-effectiveness of "teaching in small classes" before allowing schools to operate smaller classes. PSEM supplemented that many existing primary school classes had less than 25 students, e.g. remedial classes only have 12 to 15 students. However, the effectiveness was dubious. She agreed that the declining birth rate provided an opportunity to reduce the class size in primary schools, but pointed out that the population projection showed an upward trend in the longer term. PSEM stressed that to establish a long-term policy on reduction of class size would require corresponding changes to the pedagogy, should be based on solid evidence of positive learning outcome, and would be subject to the availability of resources.

24. Mr SZETO Wah remarked that implementation of "teaching in small classes" should be complemented by appropriate established policies, teachers' training and changes in school administration. He said that the Administration should have listened to the views of frontline teachers on the merits of "teaching in small classes" rather than relying on the results of a longitudinal study. Mr LEUNG Yiu-chung expressed the same view. He pointed out that the merits of a smaller class size could well be reflected by the results of remedial classes in secondary school.

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25. SEM reiterated that given the tight government finance caused by the financial crisis situation, the Government must assess the cost-effectiveness of different policy options in a very prudent manner. Since overseas empirical results had not come up with any conclusive results on the impact of small class size, the Administration considered it necessary to conduct a local longitudinal study before formulating its policy on the matter. PSEM supplemented that the results of remedial classes in primary schools were not quite encouraging

26. Citing his experience in teaching in remedial classes at primary schools, Mr CHEUNG Man-kwong pointed out that "teaching in small classes" in primary education would be of great help to academically low achievers at their early ages.

27. Mr Tommy CHEUNG expressed concerns about the financial implications of implementing the education reform on teaching and learning. He asked whether the Administration had set a long-term target percentage of education allocation to gross domestic product or public expenditure. Mr CHEUNG pointed out that while "teaching in small classes" and quality of teachers were important in provision of quality education, the costs incurred should be considered first. He pointed out that reducing the student-teacher ratio could also improve quality of education in the long run. Mr CHEUNG requested the Administration to provide estimates on the financial, space and manpower resources required for implementing "teaching in small classes". He also asked whether the student-teacher ratio in local schools was comparable to those of their western counterparts and whether whole-day primary schooling would be fully implemented in 2007.

28. SEM responded that the current student-teacher ratio of 20.8:1 was comparable to those of the western countries. Subject to economic development, the Administration anticipated that the target of extending whole-day schooling to all primary schools would be achieved by the 2007-08 school year. He explained that the financial, space and manpower resources required for implementing "teaching in small classes" would depend on the scope of implementation in primary schools, which would in turn depend on the outcome of the longitudinal study on the impact of small class size. Nevertheless, SEM undertook to provide some relevant figures in his speech to be made during the motion debate on "Teaching in small classes" at the Council meeting on 27 November 2002.

29. Mr CHEUNG Man-kwong remarked that although the student-teacher ratio of 20.8:1 was not unsatisfactory, it should be noted that local teachers was required to conduct some 30 to 34 lectures a week. Compared to around 20 lectures conducted by their counterpart in the Mainland, the workload of local teachers was much heavier. Mr CHEUNG also considered that the birth rate in Hong Kong was unlikely to have an upward trend. He acknowledged that it



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would be impossible to implement "teaching in small classes" in all schools at the same time in view of the huge costs required. He stressed that the current decrease in number of students in some old districts provided a golden opportunity for progressive implementation of "teaching in small classes" in certain schools. The Administration should monitor and evaluate the progress of these smaller classes on a continuous basis and allow discrepancies in their results since the curriculum, teachers and students in these schools and classes were different. Mr SZETO Wah echoed that an incremental implementation of "teaching in small classes" was a more practical approach.

Merger of Chinese University of Hong Kong (CUHK) and the Hong Kong University of Science and Technology (HKUST)

30. Ms Emily LAU said that SEM had once remarked in front of the media that he would be "a gentleman first and a soldier later" in pushing for the merger of CUHK and HKUST, but subsequently described himself only as a "matchmaker" who believed that a merger between the two institutions could help develop a world-class university. She requested SEM to clarify his position on the matter.

31. SEM explained that he had met the Vice-Chancellor of CUHK and the President of HKUST and was informed of their intention to explore the feasibility of merging the two universities. Both of them had also indicated that they had consulted the senior management of the universities and they had also agreed to explore the feasibility of a merger in principle. He informed members that as both the Vice-Chancellor of CUHK and the President of HKUST anticipated that the process to merge the two universities, if implemented, would be difficult and complicated, they had asked the Administration to make a strong statement of support. SEM said that he considered the idea worthy of support and therefore mentioned the possible merger during an informal gathering with the media. He added that as the Administration had now expressed support for the merger, it would be up to the two universities to collaborate their efforts to examine the feasibility of merging at an appropriate time, conduct wide consultation and work out the details if the proposal was to be implemented.

32. Ms Emily LAU asked whether the Administration would compel CUHK and HKUST to merge. SEM responded that the Administration could not force the two universities to do so. He reiterated that the idea was put forward by the senior management of both universities, who considered that the merger would help develop a world-class university. When the two universities had completed the necessary consultation and secured the support of their staff and the community as a whole, they would jointly submit a proposal to the Administration for consideration. The Administration would seriously consider the proposal and decide a course of action which was in the best interest of the higher education sector.

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Harmonisation of kindergartens and child care centres

33. Referring to paragraph 9 of the Administration's paper, Mr YEUNG Yiu-chung asked whether the Administration would consider the strong views and suggestions of the child care centres operators on the review outcome of the harmonisation of kindergartens and child care centres. PSEM responded that the Working Party on Harmonisation of Pre-primary Services was considering the views and suggestions received, and would amend its original recommendations as appropriate.

Possible conflict of interest

34. Ms Emily LAU said that there were criticisms of a conflict of interest that SEM had still retained his visiting professorship of surgery and a seat at CUHK's Senate, and received documents regarding the business of the Senate. Moreover, SEM was allowed to live in the quarter for the Vice-Chancellor of CUHK after his resignation. Ms LAU pointed out that these arrangement appeared not in line with the requirement for a principal official to refrain from participating or involving in any engagement which might create a conflict of interest to his official role and functions. She questioned how SEM would perform his role and functions as the principal official in charge of education affairs in an impartial and objective manner when he maintained such a close relationship with CUHK.

35. On retaining his professorship, SEM explained that his contract with CUHK for the appointment of the Vice-Chancellor of CUHK had stipulated that he would be reinstated as Professor of Surgery, if he resigned from the position of Vice-Chancellor before the normal retirement age. He was now retaining the title but without pay. He pointed out that the title was an essential requirement for him to attend an international medical function scheduled for April 2003 and deliver a speech on that occasion. SEM added that he had written to CUHK to stop sending him any papers relating to the University.

36. On his accommodation at CUHK, SEM clarified that CUHK had offered him a grace period of 3 months for living in the premises since he took up the appointment of SEM. After the three-month period, SEM was in a difficult position to move out from the premises due to personal reason. CUHK had agreed that SEM could continue living in the premises by paying a monthly rental at market rate. Nevertheless, SEM understood that he would have to move out from the premises with one month's notice if requested by CUHK.

37. Ms Emily LAU stressed that as a principal official in charge of education affairs, SEM must be perceived by the public and the heads of other tertiary education institutions to be fair and independent. She considered it highly undesirable that SEM continued to maintain his links with CUHK.

## **V. Merger of the Education Commission and the Board of Education**

38. Members noted the Administration's paper on the subject [LC Paper No. CB(2)296/02-03(01)].

39. Mr CHEUNG Man-kwong declared interest as a current member of the Education Commission (EC). Mr CHEUNG considered that after the merger, the authority and functions of the new EC would be degraded and similar to the existing Board of Education (BoE). It would advise SEM, instead of the Chief Executive, mainly on the overall education objectives and policies, and the planning and development of early childhood and school education.

40. Mr CHEUNG Man-kwong also expressed grave concern about the representation of the proposed membership structure of the new EC as detailed in Annex D to the Administration's paper. He pointed out that apart from the Chairman and seven ex-officio members, it appeared that only one of the 12 members appointed on an ad personam basis would be a front line teacher, while some five of them would be principals. Mr CHEUNG considered that the proportion of principals to teacher in the membership of the new EC was unreasonable and would unlikely be accepted by teachers.

41. In response, SEM said that in line with the accountability system, the new EC should report to SEM. He stressed that members of EC should be appointed on the basis of their expertise and potential contributions to EC, regardless of whether they were principals or teachers.

42. Mr CHEUNG Man-kwong considered that the intention of the Administration was reflected by the proposed membership of the new EC, which gave more weight to principals than teachers. He pointed out that this was not in line with the claim of SEM that he valued the opinions of teachers. Mr CHEUNG also pointed out that the new membership comprised three principals from the three specified school councils, namely, the Subsidized Secondary Schools Council, the Subsidized Primary Schools Council and the Special Schools Council. He questioned why three unions of school principals but not a single union of teachers were included in the membership structure. Mr CHEUNG stressed that as key stakeholders in school education, principals and teachers should be fairly represented in the new EC. In this connection, the Chairman asked whether the membership structure of the new EC had been finalised.

43. SEM responded that the membership structure had been finalised. He stressed that principals and teachers were key stakeholders in education and should both contribute to the work of the new EC and the education sector. He considered it inappropriate to distinguish principals and teachers so long as they made significant contributions to education. PSEM added that teachers often had difficulty attending meetings due to their teaching duties. The

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Administration would consult teacher organisations separately on major issues affecting teachers as was the case with the Advisory Committee on Teacher Education and Qualifications and the Standing Committee on Language Education and Research. There was no need to insist on a fixed proportion of principal and teachers in the membership of the new EC.

44. Mr CHEUNG Man-kwong expressed strong dissatisfaction with the SEM's response. He pointed out that there was no point for the Panel to discuss the issue if the Administration had already made up its mind.

45. PSEM stressed that the membership structure of the new EC was an improvement when compared with the existing membership of EC and BoE, as the new membership had been broadened and chairmen of the relevant bodies under the purview of the new EC would be appointed as ex-officio members. She pointed out that representatives from the school councils were not necessarily principals. Even if these three councils had appointed principals as their representatives, the Administration could consider appointing teachers to fill the seats intended to represent principals and teachers if the number of teacher members in the new EC was considered too small. PSEM added that the new EC was not the only advisory channel and the Administration would extensively consult teachers on matters affecting their interests and would proactively consider the appointment of individuals who had a background in or a close connection with the teaching profession.

46. The Chairman expressed disappointment that the membership structure of the new EC had been finalised before the Panel was being consulted. PSEM explained that the Administration had taken the initiative to inform the Panel of the proposed merger of EC and BoE at the meeting held on 28 October 2002 and undertook to provide the present paper on merger of EC and BoE for members' further consideration.

47. Mr SZETO Wah said that as the membership structure of the new EC had been finalised, he did not have much to say. However, he would like to advise SEM that his responsibility would be increased after the merger and he would be held ultimately responsible for the outcome of educational policies. He suggested that given the membership structure of the new EC, the Administration should establish other links with frontline teachers to ensure incorporation of their views in the policy formulation and implementation in education. Ms Emily LAU echoed Mr SZETO's view. She added that SEM should improve the transparency of the operation of the new EC by conducting its meetings in public. Ms LAU also considered that the Administration should consult the Panel before making any final decision on policy matters.

48. Mr LEUNG Yiu-chung considered that front line educators and local communities were not adequately represented in the new EC and queried the representativeness of the proposed membership. He also expressed

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dissatisfaction that the Administration had finalised its decision before consulting the Panel. PSEM reiterated that the Administration had informed the Panel the proposed merger of EC and BoE at the meeting held on 28 October 2002. Members also discussed a representative system of membership. The Administration had no intention to bypass the Panel before introducing the legislative proposal to effect the merger.

49. To conclude the discussion, the Chairman said that he was taken by surprise when SEM told the Panel that the membership structure of the new EC had been finalised as the details of which were discussed for the first time by the Panel. He cautioned that as the Panel Chairman, he might not accede to the Administration's request for putting an item on the agenda if the Administration had already decided on the policy matter. The Chairman stressed that any policy initiative in education required the support of frontline educators. He advised that SEM should seriously consider the strong views expressed by members about the membership structure of the new EC and make adjustment as appropriate.

**VI. Supervision of the administration of the Hong Kong Examinations and Assessment Authority**

50. Members noted the paper of the Hong Kong Examinations and Assessment Authority (HKEAA) for the meeting [LC Paper No. CB(2)337/02-03(01)].

51. Secretary General of HKEAA (SG(HKEAA)) extended apologies on behalf of the Chairman of HKEAA for being unable to attend the meeting as he was unwell.

52. Mr CHEUNG Man-kwong noted that HKEAA would have a cumulative reserve of only \$17 million at the end of 2002-03 financial year. He pointed out that an upward adjustment of its examination fees was unlikely be approved by the LegCo in 2004 during a period of economic downturn. Given a budget deficit of \$17.4 million in the 2002-03 financial year and in the face of a structural budget deficit in subsequent years, Mr CHEUNG asked how HKEAA would tackle its financial difficulties.

53. In response, SG(HKEAA) explained the background and reasons for the budget deficit of HKEAA in the 2001-02 financial year as detailed in paragraphs 6 – 8 of HKEAA's paper. He stressed that HKEAA had implemented a number of measures, including reduction of staff salaries in line with civil servants and reduction of overtime allowances, to reduce its budget deficit in the 2002-03 financial year by about 9.5 million. He assured members that HKEAA would continue to try all possible means to improve its financial situation.

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54. Mr CHEUNG Man-kwong considered that HKEAA had already taken various measures to reduce its budget deficit and it seemed that there was not much room for savings. He suggested that HKEAA should seek additional allocation from the Government to make up the budget deficit so that students would not be required to pay additional examination fees.

55. SG(HKEAA) undertook to reflect Mr CHEUNG Man-kwong's suggestion to the Council of HKEAA. He pointed out that increasing the examination fees by 9% across-the-board would be the last resort to balance the budget deficit in the 2003-04 financial year. He informed the meeting that if the examination fees were increased by 9%, a school candidate taking eight subjects and a private candidate taking one language subject in the Hong Kong Certificate of Education Examination would only be required to pay an additional \$70 and \$40 respectively, and an additional \$180 for a school candidate taking three advanced level subjects and two language subjects in the Hong Kong Advanced Level Examination. He added that the Government provided a safety net for students who had financial difficulties and some 11 600 students had received financial assistance in 2002.

56. Mr SZETO Wah questioned why HKEAA considered it necessary to hold a cocktail reception to celebrate its 25<sup>th</sup> anniversary given that it had not been held in the last 24 years and it was in financial difficulty. He also considered that sending a senior subject officer in Chinese language to attend an English language testing conference in Japan was unreasonable.

57. SG(HKEAA) acknowledged that he had overestimated the attendance of the cocktail reception but stressed that it was organised with the intention to express appreciation to people who had rendered services to HKEAA over the years. He also explained that the English language testing conference was an annual event since 1998 and all senior subject officers (English) had already attended the conference. It was considered that the experience in English Language testing would shed light on Chinese language testing. SG(HKEAA) stressed that it was a considered decision of the management to send a senior subject officer in Chinese language together with two subject officers in English language to attend the conference. In response to Mr SZETO Wah's further enquiry, SG(HKEAA) confirmed that HKEAA had only provided air tickets of economic class for the trip.

58. Mr LEUNG Yiu-chung asked how HKEAA would restore staff morale and whether the trimming of dental benefits was in conflict with the Employment Ordinance. SG(HKEAA) responded that the management would strive to enhance internal communication and involve staff more in formulating policies. He pointed out that the trimming of dental benefits was in compliance with the Employment Ordinance.

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59. Mr LEUNG Yiu-chung pointed out that under the Employment Ordinance, an existing benefit should not be unilaterally removed by the employer without the consent of the staff concerned, regardless of whether it was stipulated in the employment contract. He suggested that HKEAA should establish an internal mechanism for improving staff morale and preventing recurrence of mistakes in examination papers. In order to allay staff dissatisfaction about the management, Mr CHEUNG Man-kwong also suggested that HKEAA should write to its staff responding to the allegations and explaining the facts and circumstances in an open and sincere manner.

60. SG(HKEAA) responded that he had already discussed all the allegations with the staff and made all the necessary clarifications. He assured members that he would strive to enhance communication with the staff, and hoped to deliver quality service of HKEAA with the joint efforts of the staff. At the request of the Chairman, SG(HKEAA) undertook to consider members' views and suggestions expressed at the meeting.

**VII. Any other business**

61. There being no other business, the meeting ended at 7:05 pm.

Council Business Division 2  
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12 December 2002