

立法會
Legislative Council

LC Paper No. CB(2)1828/02-03
(These minutes have been seen
by the Administration)

Ref : CB2/PL/ED

Panel on Education

Minutes of meeting
held on Monday, 17 March 2003 at 5:00 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 Cyd HO Sau-lan
Hon Eric LI Ka-cheung, JP
Hon LEUNG Yiu-chung
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
- Members Absent** : Dr Hon David CHU Yu-lin, JP
Hon CHEUNG Man-kwong
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon WONG Sing-chi
Hon MA Fung-kwok, JP
- Public Officers Attending** : Item IV
Professor Arthur K C LI, GBS, JP
Secretary for Education and Manpower

Mr Andrew POON
Principal Assistant Secretary for Education and
Manpower (Quality Assurance)

Item V

Professor Arthur K C LI, GBS, JP
Secretary for Education and Manpower

Mrs Fanny LAW, JP
Permanent Secretary for Education and Manpower

Item VI

Mrs Fanny LAW, JP
Permanent Secretary for Education and Manpower

Mr M Y CHENG
Deputy Secretary for Education and Manpower (3)

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)1472/02-03]

The minutes of the meeting held on 17 February 2003 were confirmed.

II. Information paper issued since the last meeting

2. Members noted that no information paper had been issued since the last meeting.

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III. Items for discussion at the next meeting

[Appendix I to LC Paper No. CB(2)1450/02-03]

3. Members agreed to discuss the following items which were proposed by the Administration at the next regular meeting scheduled for Monday, 28 April 2003 at 8:30 am -

- (a) Study on effective strategies of class and group teaching in primary schools;
- (b) Implementation of whole-day primary schooling;
- (c) Mechanism for adjustment of Operating Expenses Block Grant; and
- (d) Enhanced school development and accountability.

4. Members also agreed to hold a special meeting on Monday, 7 April 2003 at 4:30 pm to discuss the following items—

- (a) Follow-up discussion on the review of adult education courses operated by the Education and Manpower Bureau; and
- (b) Funding cuts for University Grants Committee (UGC)-funded institutions.

5. Members also agreed to invite the parties concerned to present views on these two items at the special meeting.

IV. Proposed amendments to the Hong Kong Examinations and Assessment Authority Ordinance

[LC Paper No. CB(2)1441/02-03(01)]

6. At the invitation of the Chairman, Secretary for Education and Manpower (SEM) briefed members on the proposed amendments to the Hong Kong Examinations and Assessment Authority Ordinance (the Ordinance) as detailed in the Administration's paper. In response to the Chairman, SEM said that the Administration intended to introduce the Hong Kong Examinations and Assessment Authority (HKEAA) (Amendment) Bill into the Legislative Council (LegCo) on 30 April 2003.

7. Mr SZETO Wah asked in which Mainland cities HKEAA intended to provide examination and assessment services.

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8. SEM responded that HKEAA would initially provide examination and assessment service in Shenzhen and Guangzhou because there were schools in these cities that had started to follow the Hong Kong curriculum. In fact, one of these schools had presented students for the Hong Kong Certificate of Education Examinations (HKCEE) in 2002.

9. Principal Assistant Secretary for Education and Manpower (Quality Assurance) (PAS(EM)QA) supplemented that apart from HKCEE and the Hong Kong Advanced Level Examination (HKALE), HKEAA had also received requests from overseas examination authorities and professional bodies to conduct examinations for them in places like Macau and the Mainland.

10. Mr Tommy CHEUNG asked whether HKEAA would provide the examination and assessment service at overseas countries such as Canada and Australia where there were a large number of Hong Kong emigrants. He also asked whether the charges of the service would be linked to the charges levied by the relevant overseas authorities for provision of similar service, or set in accordance with the user-pay principle.

11. PAS(EM)QA responded that HKEAA would provide the service in response to the market demand. HKEAA would liaise with the relevant overseas authorities to determine the service charges in accordance with the user-pay principle. He pointed out that with an increase in returned emigrants including their children from overseas countries, there had been more inquiries and an increasing interest in taking HKCEE and HKALE outside Hong Kong, and the demand was particularly strong in respect of Chinese Language. He added that enabling HKEAA to conduct examinations outside Hong Kong would bring it closer to its declared vision of becoming a world-renowned examination and assessment services provider.

12. Mr YEUNG Yiu-chung expressed support for enabling HKEAA to provide examination and assessment services outside Hong Kong. He asked about the criteria for provision of such service outside Hong Kong.

13. SEM responded that HKEAA would provide the service subject to demand. He pointed out that the demand from the Mainland would continue to grow given the increasingly significant number of Hong Kong people living in the Mainland but maintaining their connection to Hong Kong. He added that the provision of such service would facilitate local education institutions to recruit bright students from the Mainland and the region. These talents would enrich the student mix in local education institutions and enhance the quality of Hong Kong's workforce in the long run.

14. Mr SZETO Wah asked how HKEAA would prevent leaking of examination papers in the Mainland.

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15. PAS(EM)QA responded that HKEAA would collaborate with relevant authorities in the Mainland to prevent leaking of examination papers. If the number of candidates taking the examinations was large, HKEAA might send staff to the Mainland to co-ordinate the arrangements for conducting the examinations.

16. Ms Cyd HO asked whether all candidates taking the same subject under HKCEE or HKALE would be required to attend the examination at selected venues in Hong Kong or the Mainland at the same time. She also asked whether the Ordinance had an extra-territorial rights in the Mainland. SEM responded that provisions of the Ordinance could not be applicable to acts taking place outside Hong Kong.

17. Ms Cyd HO expressed concern that if adequate precautionary measures had not been taken, examination paper leaked in the Mainland could soon be made available to Hong Kong students through the Internet at a low cost. The Chairman and Mr LEUNG Yiu-chung suggested that to address Ms HO's concern, the Administration should ensure that HKEAA would have a mechanism to prevent leaking of examination papers. PAS(EM)QA responded that only reputable local examination authorities, not commercial operations, would be authorized by HKEAA as its agents/partners to avoid the possible problem of leakage. Other technical arrangements for conducting parallel examinations would be dealt with in accordance with current practices. The Chairman added that detailed arrangement in respect of providing examination and assessment services outside Hong Kong could be discussed when the Bill was scrutinized. SEM undertook to consider members' views expressed at the meeting.

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V. Education expenditure in the draft Estimates for 2003-04
[LC Paper No. CB(2)1450/02-03(01)]

18. At the invitation of the Chairman, SEM highlighted the main proposals as detailed in the Administration's paper on the subject.

19. The Chairman said that the Democratic Party objected in principle to any reduction in education resources. He pointed out that a reduction of 9% in the operating expenditure on education would mean a reduction of about \$5 billion in the total provision for education. Since Hong Kong had no natural resources but only human resources to sustain its development, the Administration should cautiously consider the adverse effects of further budget cut in education on the supply of quality human resources as well as the long term development of Hong Kong.

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20. Mr SZETO Wah said that the Hong Kong Professional Teachers' Union (the Union) opposed the reduction of education expenditure and urged the Chief Executive and the Financial Secretary to continue to give priority to education in resource allocation. Noting that the target reduction of total government operating expenditure from \$220 billion to \$200 billion by 2006-07 might entail a further reduction of 9% or more in the operating expenditure of individual bureaux/departments, he asked whether senior secondary school and university fees would be increased in the future.

21. SEM responded that the Chief Executive had all along given priority to investment in education. In fact, the total expenditure on education in the 2003-04 financial year was estimated to be \$61 billion, accounting for 23.8% of total government expenditure. He pointed out that the Administration did not consider it necessary to increase senior secondary school and university fees in the 2003-04 school/academic year. Whether there was the need to adjust these fees in the next few years up to 2006-07 would depend on the Government's financial position and the overall economic climate.

Efficiency savings and savings measures

Savings measure to be introduced

22. Mr YEUNG Yiu-chung considered that given the fiscal deficit, a reduction of 1.8% in education resources was acceptable. He asked how much resources would be saved if the nine savings measures proposed in paragraph 10 of the Administration's paper were all implemented.

23. SEM responded that apart from the savings measures in paragraph 7 for achieving the 1.8% target, the savings measures in paragraph 10 were intended for achieving additional savings to fund new initiatives and to meet the savings targets in the following financial years which the Financial Secretary had yet to announce. He stressed that the Administration would welcome members' views on the proposed nine savings measures, as well as exploring other savings measures to reduce operating expenditure.

24. Permanent Secretary for Education and Manpower (PSEM) supplemented that as an interim arrangement, the Education and Manpower Bureau (EMB) had given up the contingency provision of \$250 million and the operational reserves of \$300 million, while details on other savings measures were being worked out. The Administration must, however, build up a reserve in the course of the year to provide for unforeseen circumstances and uncontrollable expenses, as well as to meet the costs of new initiatives for furthering the education reform.

25. Ms Cyd HO expressed regret over the policy decision of imposing a 1.8% efficiency savings across all government bureaux and departments. She

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considered the savings measures on recurrent items more important than those on non-recurrent expenditure such as the giving up of the \$250 million contingency provision, the \$300 million operational reserve, and the establishment of a \$1 billion matching fund to encourage fund-raising efforts in UGC-funded institutions.

Job-related allowances

26. Mr SZETO Wah said that the Union was concerned about the proposed reduction of job-related allowance for serving teachers engaged in special education. He considered that such reduction would discourage teachers from pursuing continuing education which would eventually affect the interests of students in need of special education.

27. SEM responded that the Administration had been in dialogue with the education sector to identify possible savings in education spending. While the benefits of teachers should be protected, the guiding principle was to safeguard the interests of students. Given the limited resources, it was agreed that resources should be spent in areas where the biggest impact could be made, and resources should be withdrawn from areas where the cost-effectiveness was low.

28. Mr SZETO Wah stressed that the job-related allowance was provided to encourage in-service teachers to pursue continuing education in special education, and should not be regarded as a kind of benefits to teachers serving in the special education sector.

29. PSEM responded that the overall teaching workforce should move towards professionalism in a knowledge-based economy. Like teachers engaged in special education, teachers engaged in other areas of education would also have to pursue lifelong learning in order to remain competitive in a rapidly changing world. She cited the proposal to hive off the evening adult courses operated by EMB as an example to illustrate that every cost-saving proposal in education would face objection from parties whose interest was affected. The Administration would have to spend a lot of time and efforts to rationalise the allocation of resources and to work out a programme with affected parties where withdrawal or reduction of funding was involved.

Hiving off EMB's non-core activities such as adult education courses operated by EMB

30. Mr LEUNG Yiu-chung said that he had the impression that the Administration was not willing to discuss with members and the parties concerned on issues where withdrawal or reduction of funding was proposed. He cited the EMB's proposal to cease its operation of the adult education courses as an example to illustrate that the Administration did not listen to the

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views of the affected parties. He asked how the Administration would subsume non-formal adult education into the Continuing Education Fund (CEF).

31. SEM responded that the Administration had undertaken to commission non-profit-making operators to run the adult education courses for two years with government subvention so that existing learners would not have to pay higher fees. He pointed out that the Administration considered it unnecessary to continue the provision of these courses because there were a variety of adult education courses available in the market and that Government should extricate itself from work that could be done better by the private sector. He added that the Administration was currently reviewing the CEF with the possibility of broadening its scope to include more programmes at the basic levels and to benefit more adult learners. He acknowledged that teachers engaged in these evening courses might consider that they were unfairly treated.

32. Mr LEUNG Yiu-chung remarked that he learnt from private operators that fees for adult education courses operated on a non-subsidized basis would be about 10 times the current fees charged for subsidised courses operated by EMB. Ms Cyd HO added that the Administration should consider specifying the level of fees which could be charged by these operators for existing adult learners two years after the take-over.

33. Ms Cyd HO expressed reservations about hiving off EMB's non-core activities and reduction of funding for parent education. She asked about the criteria for determination of EMB's non-core activities.

34. SEM reiterated that the guiding principles in determination and implementation of savings measures were the best interests of students and that the quality of education should not be compromised. PSEM supplemented that core activities should refer to those teaching and learning activities conducted in the classroom such as Native English-speaking Teacher Scheme and the curriculum reform.

Reduction in the provision for additional classes

35. Mr LEUNG Yiu-chung asked how the Administration would reduce the provision for additional classes due to declining population and stabilization in the number of newly arrived children from the Mainland. He expressed concern that such reduction in provision would bring about large classes arising from merger of classes or schools and would jeopardise the quality of school education.

36. SEM responded that EMB would liaise with the schools concerned for any merger of classes or schools, having regard to the guiding principle of serving the best interests of students. He stressed that apart from considering

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possible mergers, EMB would observe the existing standards of class sizes for primary and secondary schools.

Closing down high-cost and ineffective schools

37. Mr Tommy CHEUNG expressed support for the cost-saving proposals in the Administration's paper such as the closing down of high-cost and ineffective schools. He considered that existing schools with insufficient enrolment should be considered for merging with another school in the same district as far as practicable.

38. Mr LEUNG Yiu-chung expressed doubts whether the Administration would strictly adhere to the standard class size requirements in implementing merger of classes or schools, particularly if village schools were involved. He was concerned that closing down a village school would mean that the affected students would have to transfer to another village school which was far away from their residence. He asked how the Administration would set the criteria for closing down high-cost and ineffective schools.

39. SEM stressed that EMB would adhere to the standards of class sizes for primary and secondary schools in considering merger of schools. He considered that, given the budget constraints, there was no reason to continue funding high-cost and ineffective schools. SEM pointed out that the Administration would assess the performance of individual schools by a set of objective criteria, having regard to the individual circumstances of each school.

40. Mr LEUNG Yiu-chung expressed concern that a village school located in a remote district with a low enrolment rate might be classified as high-cost and ineffective. He considered that such village schools should be retained in the interests of the students living in those districts. He requested the Administration to provide the Panel with a list of the village schools which would be classified as high-cost and ineffective.

41. PSEM responded that the overall cost-effectiveness of a school would have to be measured by a set of objective indicators, taking into account the unique circumstances of individual schools. The Administration would provide a paper to set out the criteria and indicators for assessment of a school's effectiveness in April 2003. She assured members that before deciding to close down a village school located in a remote district, the Administration would consider whether sufficient places in nearby schools and whether adequate transport service were available.

42. Mr SZETO Wah suggested that the Administration should carefully plan the schedule for closing down a school in order to minimise the adverse impacts on students and teachers. PSEM responded that the Administration

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would adopt a cautious and gradual approach in planning the schedule for transferring the affected students and teachers to other schools.

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43. The Chairman requested the Administration to provide a list of village schools which would be closed down in due course. PSEM responded that the Administration would inform the Panel after consulting the schools concerned.

Other measures

44. Mr SZETO Wah asked how the Administration would expect schools and subvented organisations to share the responsibility of achieving savings in the future. He also asked whether subvented organisations should step up fund-raising efforts to meet the target of saving \$20 billion by 2006-07.

45. SEM responded that schools and subvented organisations were expected to contribute to the efficiency drive and the more effective use of resources in the next four years. The Administration believed that schools and subvented organizations would consider their own fund-raising activities.

46. Ms Cyd HO asked whether the Administration would consider changing its policy on provision of basic education. SEM responded that the Administration had no intention to change the policy of providing nine-year free basic education. The Chairman said that legislative exercise would be required to change that policy as the right to free nine-year education was protected in legislation.

Consultation

47. Mr Tommy CHEUNG asked about the timetable for implementing the nine saving measures proposed in paragraph 10 of the Administration's paper. Mr CHEUNG further asked whether the Administration had already started consultation with affected parties on its proposals and when the Administration would revert to the Panel on its plan in respect of these proposals.

48. SEM responded that EMB intended to implement the proposed savings measure as soon as possible and aimed to achieve the target of a reduction of 9% of operating expenditure by 2006-07. He pointed out that affected parties would normally object to any proposal of funding cut and the Administration had to listen to their views and justifications before deciding the way forward.

49. PSEM supplemented that the Administration had started the necessary consultation with affected parties on the nine savings measures. Subject to members' support, the Administration would proceed with the implementation of individual proposal from September 2003 onwards, if possible. She pointed out that some proposals, such as the phasing out of high-cost and ineffective schools might take years before achieving the full savings.

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50. Ms Cyd HO said that the Administration should thoroughly consult the affected parties to facilitate smooth and effective implementation of the savings measures. She pointed out that there would be operational areas and arrangements where efficiency savings could be achieved without affecting the parties involved.

51. SEM reiterated that the Administration welcomed members' views and suggestions in respect of the nine proposed savings measures, as well as other measures. He would also welcome any ideas on possible saving measures which would not affect the interest of stakeholders.

VI. Allocation of the Capacity Enhancement Grant
[LC Paper No. CB(2)1450/02-03(02)]

52. At the Chairman's invitation, PSEM briefed members on the main points of the Administration's paper on the subject.

53. Mr SZETO Wah asked about the financial implications and the percentage of public sector schools which would be affected by the proposal to rationalize the allocation of the Capacity Enhancement Grant (CEG) for reasons of equity and cost-effectiveness.

54. PSEM responded that implementation of the proposed funding levels for public sector primary and secondary schools set out in paragraph 8 of the Administration's paper would achieve savings of about \$61.2 million in the 2003-04 school year. She said that as a result of implementing the proposal, the level of CEG grant for about 40% schools would be reduced, but the remaining 60% schools would not be affected.

55. PSEM further said that CEG was part of the Operating Expenses Block Grant for aided schools and the Subject and Curriculum Grant for government schools. In line with the Composite Consumer Price Index (CCPI) movement between June 2001 and June 2002, the grant rates for the 2002-03 school year should have been adjusted downwards by 3.3%. However, the Finance Committee had approved at its meeting on 8 November 2002 to adjust the CEG rates for aided schools downward by 1.65% only in the 2002-03 school year, and to defer the remaining 1.65% adjustment to subsequent year. The present proposals on CEG had incorporated the outstanding 1.65% deflation adjustment.

56. Mr SZETO Wah asked whether further reduction of CEG would be proposed in the future.

57. Deputy Secretary for Education and Manpower (3) responded that it was unlikely that CEG would be further adjusted on the basis of similar

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consideration. He pointed out that every year CEG would be adjusted in accordance with the change in the CCPI. He explained that the proposed adjustment was made in response to the recommendation of the Audit Commission that the CEG funding levels should vary with the number of operating classes, and not for the purpose of cost-saving.

58. Ms Cyd HO asked whether CEG could be used to facilitate parent participation in school management in line with the spirit of promoting school-based management.

59. PSEM responded that CEG was primarily intended to relieve teachers' workload and improve student learning. Schools might use the grant to hire additional staff and/or procure services according to their needs and priorities.

VII. Any other business

60. There being no other business, the meeting ended at 6:30 pm.

Council Business Division 2
Legislative Council Secretariat
24 April 2003