

## **Chapter XIII : Education and Manpower**

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13.1 At the invitation of the Chairman, the Secretary for Education and Manpower (SEM), Professor Arthur LI, briefed members on the Government's expenditure on the policy areas of education and manpower in the coming financial year (Appendix V-11).

### **Efficiency savings in the education sector**

13.2 Mr YEUNG Yiu-chung referred to the Administration's target of achieving savings of about \$1.29 billion in 2004-05 and enquired about respective savings from various initiatives as well as efficiency measures to be implemented in secondary schools.

13.3 In reply, SEM stressed that efficiency savings would be achieved through re-deployment of resources, reviewing of expenditure items and re-prioritizing of work targets. In 2004-05, the Administration would re-deploy resources from the University Grants Committee (UGC)-funded institutions to other priority areas while the recurrent expenditure on the school sector would continue to increase. He assured members that any savings from the education sector would be ploughed back into the sector for meeting growth in recurrent expenditure and funding new initiatives. On the details of the savings, the Permanent Secretary for Education and Manpower (PSEM) advised that estimated savings in 2004 from the UGC-funded institutions, the Vocational Training Council and the Education and Manpower Bureau (EMB) would be \$890 million, \$68 million and \$60 million respectively. The Administration would continue to pack classes for more effective use of resources in the school sector. Savings to be achieved from the measure would be \$53 million and \$27 million for primary and secondary schools respectively.

### **Closure of primary schools due to low admission of primary one students**

13.4 Mr CHEUNG Man-kwong noticed that over 870 classes in primary and secondary schools had been reduced and 52 primary schools had stopped admitting primary one (P1) students within 2001-02 to 2003-04 school years. He expressed concern that these schools would be eventually forced to close down. Referring to an anonymous letter addressed to Members and school principals pointing out that school inspectors had been instructed to adopt harsh standards in conducting a special performance review of primary schools not allocated P1 classes in 2004-05 school year, Mr CHEUNG queried the purpose of the special review. He further enquired about the inspection standards set for the review and asked whether the Administration would take into consideration parents' views and circumstances of affected students.

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13.5 In response, SEM said that EMB had clearly informed affected schools in August 2003 that they would not be allocated P1 classes in 2004-05 school year if they failed to attract 23 or more students in the 2004 Primary One Admission (POA) exercise. In order to address concerns of the affected schools and parents, the Administration had agreed that affected schools could seek to participate in a special review of their quality of education services. Schools which passed in the review would be allowed to take part in the 2005 POA exercise. SEM said that it would be inappropriate for the Administration to act or comment on the anonymous letter referred to by Mr CHEUNG Man-kwong. Nonetheless, SEM said that he had full confidence in the professionalism of the Bureau's school inspection team. He believed that school inspectors would adopt clear and objective established standards and would perform the special review in a fair, impartial and transparent manner.

### **Allocation of recurrent and capital fundings for schools**

13.6 Noting that the unit costs per subsidized place of Direct Subsidy Scheme (DSS) secondary schools were \$1,453 and \$300 higher than those of aided secondary school in 2002-03 and 2003-04 respectively, Mr CHEUNG Man-Kwong queried the unequal treatments to DSS and aided schools. Mr CHEUNG also questioned how government subsidies for DSS schools had been worked out.

13.7 In response, SEM advised that government subsidies for DSS schools were calculated on the basis of number of students, while those for aided schools were calculated on the basis of number of classes. As different bases had been adopted, it would be inappropriate to compare the level of subsidies provided to the two types of schools. PSEM added that in 2002-03 and 2003-04, there were more DSS schools which had established for 16 years or more. The unit subsidy rate, including the cost of maintenance, was higher for these schools. In the case of aided schools, school maintenance was regarded as non-recurrent expenditure and separately provided for outside the annual recurrent subventions. It was therefore inappropriate to make direct comparison of the subsidies on the basis of the unit costs alone. PSEM pointed out that the unit costs quoted by Mr CHEUNG only referred to the situations in 2002-03 and 2003-04. For 2004-05, the estimated unit cost of DSS schools was lower than that of aided schools.

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13.8 Mr CHEUNG Man-kwong expressed concern over an imbalanced provision between DSS and private schools and aided schools in the school building programme (SBP) for 2004-05 to 2010-11 school years. Mr CHEUNG noted from the programme that about 67% of the new secondary schools under planning would be DSS and private schools whereas only 21% would be aided schools. Referring to complaints from existing aided schools accommodated in sub-standard premises about the unavailability of new schools sites for redeveloping their schools, Mr CHEUNG was concerned that the SBP for 2004-05 to 2010-11 would further minimize the opportunities for these schools to seek improvement in their physical environment. In this connection, Mr CHEUNG enquired about the Administration's plan to redevelop schools accommodated in sub-standard premises.

13.9 In reply, SEM affirmed that it was the Administration's established policy to build new schools to provide sufficient school places to meet demand and to redevelop or reprovision schools built to old planning standards, subject to the approval of the Finance Committee for the necessary capital funding. In this connection, Mr CHEUNG Man-kwong remarked that the Legislative Council had supported giving priority to redeveloping popular schools accommodated in sub-standard premises, particularly those which had hardly benefited from the school improvement programme (SIP). He enquired about the progress of the Government's action in this respect. PSEM advised that, as discussed by the Panel on Education, it was the Administration's plan to reprovision or redevelop existing schools which were providing quality education but accommodated in premises falling short of the latest planning standards. She added that, under this new programme which just started, the Administration wished to earmark at least 10 new school premises for reprovisioning and redevelopment purposes. At the request of Mr CHEUNG Man-kwong, PSEM undertook to provide information on the sites and distribution of such new school premises under the reprovisioning and redevelopment programme.

13.10 Mr MA Fung-kwok noted that in 2003-04, eight schools which stopped the admission of P1 students had carried out SIP involving an expenditure of about \$160 million. In view that these schools might eventually be closed down, Mr MA enquired about the reasons for undertaking SIP in the schools. Mr MA also asked if the Administration would review the need for carrying out SIP works planned for schools with low admission of P1 students in recent years with a view to ensuring cost-effectiveness of the improvement works.

13.11 In response, SEM explained that since improvement of schools in sub-standard premises involved advance planning and preparation work, it was difficult to revise the SIP projects on account of latest changes in circumstances of the schools. SEM re-iterated that the purpose of SIP was to upgrade and improve the physical environment of existing sub-standard school premises for the benefit of students studying in the schools. It was justified to carry out SIP works in schools where required. It would be unfair to exclude schools with low admission of students from SIP as this might deprive schools of an opportunity to improve their environment to enhance their competitiveness to attract enrolment of students. On the other hand, the Administration would continue to encourage merging of schools with low admission of students so as to enhance the cost-effectiveness of SIP works carried out in these schools. SEM said that there had been successful cases where merged schools continued to operate in SIP premises.

### **Removal of asbestos-containing materials found in school premises**

13.12 Mr MA Fung-kwok noted that results of the investigation conducted in 796 schools in 2003-04 indicated that 531 schools had asbestos-containing materials in their premises. He enquired about follow-up actions to be taken on these schools, including assessing the impact of the materials on the health of students and devising plans to remove the material.

13.13 In reply, PSEM said that according to consultants' advice, if the identified asbestos-containing materials in school premises were not exposed or were found in good condition, there would be no imminent danger to people's health, and the materials should be left intact. The Administration had been closely monitoring the situations in individual schools and would carry out removal works where necessary or when suitable opportunities arose, such as when major repair works involving asbestos-containing materials were required for the schools. PSEM assured members that the approach adopted by the Administration was endorsed by the Environmental Protection Department (EPD).

13.14 Mr CHEUNG Man-kwong pointed out that asbestos-containing materials found in school premises had become a problem since early 1990s. In view of the large number of schools identified to have such materials in their premises, Mr CHEUNG expressed concern over deterioration of the problem and called on the Administration to devise an action plan to remove all asbestos-containing materials from concerned schools as soon as possible in order to tackle the problem at root and to allay the concern of parents.

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13.15 While appreciating members' concern over the problem, the Deputy Secretary for Education and Manpower (3) re-iterated that EMB/the then Education Department had been closely monitoring the problem with relevant departments, including EPD, Architectural Services Department and Housing Department etc., since early 1990s. Arrangements were made for the removal of asbestos-containing materials with due regard to the health and safety requirements as well as the conditions of individual schools. Upon request of Mr CHEUNG Man-kwong, the Administration would provide information on the estimated time and resources required for removing asbestos-containing materials found in the 531 schools identified.

### **Provision of senior secondary schools**

13.16 Mr CHEUNG Man-kwong noted that in 2003-04 school year, seven out of the total of eight senior secondary schools (SSS) had provided secondary 1 (S 1) to secondary 3 (S 3) places which took up about 26% of the total number of school places in these schools. Mr CHEUNG expressed concern that the provision of S 1 to S 3 places in SSS was inconsistent with the objective of SSS and was not conducive to effective use of resources.

13.17 In response, PSEM advised that the provision of SSS was a measure for achieving the initiative of allowing capable S 3 students to continue with their studies as announced in the Chief Executive's Policy Address in 2000. The Administration was then required to establish SSS to provide for sufficient subsidized S 4 and S 5 school places within a short period of time. The curriculum of SSS contained non-mainstream courses and was different from that of traditional secondary schools to cater for the special needs of students. PSEM stressed that the Administration had allowed seven SSS to provide S 1 to S 3 places in order to meet demand for such places and to provide for parental choices in certain districts. Moreover, by doing so, the seven SSS would also enhance the cost-effectiveness in utilizing the resources allocated to them.

13.18 Given the differences in the curriculum of S 4 and S 5 of SSS with those of traditional secondary schools, Mr CHEUNG Man-kwong was concerned that students who had studied in S 1 to S 3 of a SSS might not continue with their studies in S 4 and S 5 of the SSS. In reply, PSEM said that students were informed of the nature of a SSS when they enrolled for S1 to S 3 places. These students could also apply to change to traditional secondary schools should they find SSS not suitable for them. Mr CHEUNG remained concerned about the practice of providing S 1 to S 3 places in SSS and urged the Administration to review the matter.

### **Proficiency of English and Putonghua teachers in primary and secondary schools**

13.19 Mr MA Fung-kwok noted that as at March 2004, 39% and 51% of English and Putonghua teachers respectively had passed some papers of the Language Proficiency Requirement (LPR) tests. He enquired about the passing rates in respect of each paper of the tests and for primary and secondary teachers. In reply, SEM advised that there were five papers in the English LPR test while there were four in the Putonghua LPR test. PSEM undertook to provide the information requested by Mr MA after the meeting.

### **Provision of recurrent non-salary grants to public sector schools**

13.20 On Mr MA Fung-kwok's enquiry about the review of the provision of recurrent non-salary grants to public sector schools, SEM said that the review which was aimed at streamlining the deployment of grants and providing greater funding flexibility to schools was underway, and that the Administration would consult schools when the results of the review were available. As regards the implementation of the recommendations of the review, SEM advised that there were proposals in the Education (Amendment) Bill 2002 to enhance school-based management of aided schools. These proposals were important to the implementation of the recommendations of the review.

### **Promotion of the Common English Proficiency Assessment Scheme to graduating students of tertiary institutions**

13.21 Pointing out that only 57% of graduating students of UGC-funded institutions had participated in the Common English Proficiency Assessment Scheme (CEPAS) in 2003-04 academic year, Mr LEUNG Yiu-chung enquired about the Administration's plan, if any, to promote the scheme among students. In response, SEM said that while CEPAS was in its early stage of implementation, the scheme had received good response from graduating students as evidenced by an increase of 20% in the number of participants in 2003-04 academic year over that in 2002-03. SEM pointed out that CEPAS was considered by many employers as a useful assessment of the English proficiency standards of university graduates. It was believed that with the increasing recognition of CEPAS by the market, more students would participate in the scheme. SEM added that CEPAS was a voluntary scheme and the Administration would continue efforts in promoting the scheme, including reimbursing participants in full the fees for undertaking relevant assessment tests.

### **Adult education**

13.22 Mr LEUNG Yiu-chung noted that the enrolment in adult education courses offering primary and secondary education had declined substantially from 12 300 in 2001-02 school year to 6 073 in 2003-04, and that expenditure on courses had reduced from \$65 million to \$51 million. Mr LEUNG questioned if the drop in enrolment was the result of Government's reduction in resource allocation for adult education, which was contrary to the Administration's earlier undertaking to support non-governmental organizations (NGOs) in running adult education courses. He was of the view that adequate subsidies should be provided to encourage people to upgrade themselves by pursuing continuing education.

13.23 In response, SEM said that the decline in enrolment in adult education courses was attributed to a number of factors, including competition from programmes run by other educational bodies that were found more attractive to participants. PSEM added that the Administration had noted the decreasing trend in enrolment in formal adult education courses offering primary and secondary education in recent years. While the Administration would continue subsidizing students who had already enrolled in these courses to enable them to complete the key stage of their studies, subventions were provided to NGOs to run informal adult education courses in order to enhance cost-effectiveness in the provision of adult education. The details on expenditure and enrolment of informal adult education courses run by NGOs were provided in the Administration's reply to Question Serial No. 0744. PSEM added that there had been good response for the self-financed adult education courses with the current total enrolment of about 700. Although participants were required to pay higher fees for these courses, financial assistance schemes were made available for needy participants who had difficulty in paying the fees. PSEM supplemented that apart from subsidizing formal and informal adult education programmes, the Administration had set up the Continuing Education Fund to encourage adults with learning aspirations to pursue continuing education and training.

### **Provision for Vocational Training Council**

13.24 Miss CHAN Yuen-han declared interest as a member of the Board of the Vocational Training Council (VTC). She noted that the estimated expenditure on vocational education and vocational training in 2004-05 would be \$1,905 million and \$551 million respectively. As UGC-funded institutions had reduced subventions for sub-degree programmes, Miss CHAN expressed support

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for allocating VTC with more resources for providing vocational education for young people.

13.25 In response, the Executive Director, VTC (ED, VTC) advised that VTC's vocational education programmes were mainly provided by the Hong Kong Institute of Vocational Education (which was formed in 1999 by merging seven technical institutes and two technical colleges) whereas vocational training programmes were run by 18 training and development centres. These programmes were aimed at providing young people, including S 3 and S 5 school leavers, with vocational education and training before they took up employment as well as assisting existing workers to upgrade their skills. ED, VTC added that VTC provided certain sub-degree programmes, such as higher diploma in technical disciplines, which were also provided by the Hong Kong Polytechnic University (PolyU) and City University of Hong Kong (CityU), but vocational education programmes offered by VTC were of a wider variety and more practical in nature.

13.26 Pointing out that VTC was under increasing pressure to recover costs through raising course fees as a result of reduction in Government's subvention in recent years, Miss CHAN Yuen-han expressed concern about affordability of students for the programmes. She enquired about the Administration's plan, if any, to re-deploy resources from UGC-funded institutions to enhance the provision of vocational education by VTC so as to cater for the needs of young people with low academic qualifications. In response, SEM confirmed that the Administration would continue to fund PolyU and CityU to run sub-degree programmes provided that they did not duplicate with those already offered by other tertiary institutions and training bodies. As regards the concern over students' affordability for VTC's courses, SEM advised that at present, financial assistance schemes were made available to needy students. He stressed that the Administration would seek to ensure that eligible students would not be deprived of the opportunity to receive education or training due to a lack of means.

### **Retraining needs of poultry workers**

13.27 Mr LEUNG Fu-wah pointed out that poultry workers had been suffering from financial hardship since the Administration suspended the import of live poultry into Hong Kong in early 2004. Some labour organizations had suggested that the Employees Retraining Board (ERB) and the Health, Welfare and Food Bureau should organize a special retraining programme for affected



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workers to help them upgrade their skills and knowledge of the poultry trade as well as to relieve their hardship by providing them retraining allowance. However, the request had not been acceded to due to a lack of resources. In this connection, Mr LEUNG urged the Administration to consider making a contingency provision on retraining programmes in the Estimates to cater for urgent needs.

13.28 While acknowledging the hardship faced by poultry workers, SEM pointed out that it would be difficult for ERB or the Administration to organize a retraining programme within a short period of time as detailed planning and preparation were required if any such programmes were to be implemented successfully. As regards the suggestion of providing a contingency provision on retraining programmes in the Estimates, SEM said that the Administration would consider the suggestion should such need arise in future.