

**By Fax and By Post**

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23 February 2004

Secretary for Financial Services and the Treasury  
[Attn: Mr K K LAM, PEO(G)]  
Financial Services and the Treasury Bureau  
(The Treasury Branch)  
4/F, Main Wing, CGO  
Lower Albert Road  
Hong Kong

Dear Mr LAM,

**Finance Committee**

**FCR(2003-04)58 -**

**"Grant to Support the Assessment Development and Research Activities  
of the Hong Kong Examinations and Assessment Authority"**

At the Finance Committee meeting on 20 February 2004, the Administration withdrew the above-mentioned proposal and agreed to provide further information on the subject before re-submission. To facilitate your preparation of the information required, I provide herewith a summary of the members' views and queries raised at the meeting -

- (a) The proposal seeks a one-off grant of \$136.7 million to support the Hong Kong Examination and Assessment Authority (HKEAA)'s assessment and research activities for about five years from now to 2009. This proposal is to implement recommendations of a consultant engaged by HKEAA in 2002 in its strategic review of the subject. According to the consultant's report published in May 2003, *"any public funding of the Authority should, in principle, be fiscally neutral within the Education Vote, and be sourced from a combination of efficiencies and revenue generation with the Authority, and resources held within the CDI (Curriculum Development Institute and related functions in Education and*

*Manpower Bureau (EMB). This signals to the Authority that any public money is unlikely to be new money, and it places a strong discipline on it, and the other players funded by the Vote, to seek internal efficiencies or revenues."* Please advise from where savings have been generated to provide for the \$136.7 million grant and what efficiencies have been/will be achieved in the three organizations. Please also confirm if any further grants are required after the 5-year period for sustaining the work on assessment development and research.

(raised by Hon Emily LAU)

- (b) The consultant also recommends that HKEAA and CDI should cooperate closely to establish a linked framework(s) on assessment development and research activities. Apart from giving the grant to HKEAA, what framework(s) will be put in place to enhance the cooperation of the two organizations? What arrangements will be made by EMB to monitor the effective use of the grant and the effectiveness of the working mechanism?

(raised by Hon Emily LAU)

- (c) How much was spent in conducting the strategic review of the roles and functions of the HKEAA in September 2003? In what manner will the tasks set out in Enclosure I to the paper be carried out -- by further engaging a consultant to carry out the work or by engaging direct staff? Please provide a breakdown of the costs involved. (raised by Hon James TIEN)

- (d) Assessment development is an ongoing process. It should be part and parcel of the day-to-day functions of HKEAA. The proposal to seek a one-off grant to strengthen the assessment development and research capacity of HKEAA for five years is contrary to the basic philosophy of matching assessment with international standards and changing society expectations on a continuous basis. (*The consultant also recommends that funding for research needs to be recurrent to support the outcomes of long-term research, which is particularly critical in education.*) If HKEAA could adopt a more pragmatic approach in deciding on the assessment principles, the need for a \$136.7 million exercise may not be required.

(raised by Hon Andrew WONG)

- (e) The proposed development exercise will have direct impact on the learning targets, contents and processes of individual subjects. With the community still considering a "3+3+4" structure for the junior secondary, senior secondary and university programmes, the development and research work in the present proposal, which will

take some three years to complete, may become abortive and create unnecessary confusion among teaching staff and students. Please provide concrete plans, instead of just broad objectives, of how the exercise will be carried out and why the work will not become abortive if the "3+3+4" structure is to be adopted in a few years' time.

(raised by Hon TSANG Yok-sing and Hon LEUNG Yiu-chung)

I should be grateful if the required information can reach the Secretariat as soon as practicable for timely circulation to members before re-submission.

With best regards,

Yours sincerely,

(Ms Pauline NG)  
Clerk to the Finance Committee

c.c. Dr Hon Philip WONG Yu-hong, GBS, FC Chairman  
Hon NG Leung-sing, JP, FC Deputy Chairman