

## Chapter 4

### Planning and provision of public secondary school places

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Audit conducted a review of the planning and provision of public secondary school places to examine the Education and Manpower Bureau (EMB)'s system of planning and providing such places and to ascertain whether there were areas for improvement.

2. At the public hearing, **Prof Hon Arthur LI Kwok-cheung, Secretary for Education and Manpower**, made an opening statement. He said that:

- the EMB would ensure the effective use of resources. In planning for the provision of school places, the Government aimed to achieve two broad objectives. First, in quantitative terms, it aimed to ensure the provision of sufficient public sector school places for all eligible children. Specifically, the Government is committed to providing nine-year free and universal basic education for all school-age children, as well as subsidised senior secondary and vocational training places for all Secondary Three students who have the ability and wish to continue their studies;
- secondly, in qualitative terms, the Government had to upgrade the quality of education. Hence, it promoted the adoption of the “through train” mode in schools, and redeveloped or reprovisioned schools accommodated in substandard premises. In order to provide choices for parents and students and to help encourage schools’ self-improvement, diversity and market mechanism were introduced into the education system through the development of Direct Subsidy Scheme (DSS) schools and Private Independent (PI) schools. Diversity and choices would be empty promises if a reasonable degree of surplus supply of school places was not available to facilitate student movement and to identify the less popular or relatively weak schools;
- the School Building Programme was updated and adjusted on a regular basis, taking into account such factors as the updated forecast of the supply and demand situation as identified in the annual population projections, new policy initiatives, parental choice, as well as availability of land and funds. There was a need to build new schools at suitable locations to meet the new demands identified. Even in the absence of new demands, new schools might need to be built to reprovision the premises of well-performing schools which might have become old and poorly equipped;
- according to the latest projection in 2003, the demand for secondary school places would continue to rise until 2007-08 when the number of school-age children would begin to drop. Thus, there was a need to implement the new school construction projects to ensure that there would be sufficient public

## Planning and provision of public secondary school places

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sector secondary school places in the coming few years for allocation to all eligible students and for achieving various education policy objectives; and

- in the long term, the new projects might result in surplus school places or aggravate the surplus situation in individual districts. However, in order that the Government could fulfill its pledge to provide quality education, it was necessary to retain a reasonable degree of surplus school places to enhance parental choice. The new premises could also encourage high-quality school sponsoring bodies (SSBs) to run schools.

### Classroom utilisation

3. According to paragraph 2.2 of the Audit Report, as at the beginning of the 2002-03 school year, there were 145 vacant classrooms in 50 of all public secondary schools in Hong Kong. On the other hand, the EMB was planning to build 34 new secondary schools by 2008. Against this background, the Committee was concerned about the continued construction of new secondary schools. The Committee asked whether the Administration agreed that the vacant classrooms represented under-utilisation of educational resources.

4. **Mrs Fanny LAW FAN Chiu-fun, Permanent Secretary for Education and Manpower**, responded that:

- the situation of vacant classrooms was not serious. Although the number of vacant classrooms appeared to be great in absolute terms, 145 vacant classrooms amounted to only 1.4% of all classrooms available in public secondary schools in Hong Kong. Moreover, whereas there were more than 20,000 unfilled school places, there were also additional places provided by over-enrolled classes and floating classes. Taking the additional places into account, the number of net unfilled places was even less;
- the percentage of vacant classrooms might increase in future due to the declining student population and government policy. The EMB hoped to provide parents and students with more choices by developing more DSS and high-quality PI schools. If these schools were welcome by students, the number of unfilled places in aided schools was bound to increase. The EMB would then take action to combine or cut classes. It would also encourage schools with insufficient student intake to offer diversified curricula, such as by changing into senior secondary schools;

## Planning and provision of public secondary school places

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- among the 50 schools with vacant classrooms, 27 were built more than 20 years ago. Their original school designs reflected the then prevailing policy and they were not provided with special-purpose rooms. In contrast, the Year 2000 design nowadays included a generous provision of special rooms. Although there were vacant classrooms in these schools, they were not left idle. Instead, they might be converted to other uses, enhancing the quality of education. 11 of the 50 schools were new schools and had not yet operated to their maximum capacity. They would progressively expand their number of operating classes at each level year-on-year starting from Secondary One; and
- the construction of new schools was required for introducing diversity in the school system. Actually, in 1999, the Panel on Education had agreed that the Administration should not reduce the number of classes in a school which had vacant school places as a result of parental choice. The Panel members considered that those schools should be allowed to retain their existing resources even if the number of students dropped so that they could pay more individual attention to students with relatively poor performance. Nevertheless, given the lack of resources nowadays, the Administration agreed that it was appropriate to combine under-enrolled classes to a reasonable degree.

5. Noting the Permanent Secretary for Education and Manpower's reply, the Committee asked whether the Administration required those schools with insufficient student intake but were allowed to retain their classes to practise small class teaching, and whether additional resources were allocated to them for the purpose.

6. The **Permanent Secretary for Education and Manpower** explained that the Government did not have a policy to implement small class teaching as this would require a lot of resources. The Administration had adopted a more tolerant attitude towards those schools with under-enrolled classes, in the hope that the teachers might have more time to take care of students with different learning capabilities. No additional resources were allocated to these schools.

7. Referring to the 145 vacant classrooms mentioned in paragraph 2.2 of the Audit Report, the Committee asked Audit whether they were left idle all year round or being put to beneficial use by the schools concerned.

## Planning and provision of public secondary school places

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8. In his letter of 31 December 2003, in *Appendix 31*, the **Director of Audit** stated that:

- Audit staff visited ten schools (out of the 50 public secondary schools with vacant classrooms as at September 2002 according to the EMB's records) in September 2003 and found that in four schools, the vacant classrooms were locked at the time of the visit; and
- as regards whether the four schools concerned had actually left their vacant classrooms idle all the year round, the information obtained was as follows:
  - (a) **School 1:** There were seven vacant classrooms out of 42 classrooms in this school as at September 2002. Four vacant classrooms had generally been utilised for teaching. As to the remaining three vacant classrooms, one was used to store physical education equipment, one was used as a student guidance room during lunch breaks, and one was reserved and kept vacant;
  - (b) **School 2:** There were 12 vacant classrooms out of 23 classrooms in this school as at September 2002. Eight vacant classrooms had generally been utilised for teaching. As to the remaining four vacant classrooms, one was used as the social worker's office, one was used to store musical instruments and for after-school activities, and the other two were used as an English study room and an ETV room, which were open to students as and when necessary;
  - (c) **School 3:** There were five vacant classrooms out of 16 classrooms in this school as at September 2002. All of the five vacant classrooms had generally been utilised for teaching; and
  - (d) **School 4:** There were ten vacant classrooms out of 30 classrooms in this school as at September 2002. Two vacant classrooms had generally been utilised for teaching. As to the remaining eight vacant classrooms, four were used as ETV and IT teaching rooms and were open to students as and when necessary, one was used as a multi-language room and was open to students as and when necessary, and three were reserved and kept vacant.

## Planning and provision of public secondary school places

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9. Responding to the Committee's question as to whether the EMB had encouraged the schools to make use of their vacant classrooms, the **Permanent Secretary for Education and Manpower** replied that:

- as there were a lot of schools in Hong Kong, it was difficult for EMB staff to frequently check whether they had made good use of their resources. But the schools would certainly make use of their classrooms; and
- regarding Schools A, B, C and D mentioned in paragraphs 2.5 to 2.16 of the Audit Report, which were found to have a more serious problem of vacant classrooms, there were in fact reasons for retaining the schools concerned. One of the schools was providing educational services for students from ethnic minority groups, two were located in Islands District, and the other one was a new school which would have a progressive expansion in classes.

10. In an information note provided to the Committee, in *Appendix 32*, the **Secretary for Education and Manpower** confirmed that Schools A to D had actually made use of their vacant classrooms for educational purposes. Some of the rooms with expensive equipment were locked up when they were not in use for security reasons. He also provided the details of the use of the classrooms.

11. To ascertain the severity of the problem of vacant classrooms, the Committee enquired:

- whether the EMB had the practice of conducting surveys to find out if those public secondary schools with vacant classrooms had made beneficial use of the classrooms for the benefits of students; if so, what the findings of the surveys were; and
- about the overall vacant classroom rates in public secondary schools in each school year since 1993-94, and whether the figures indicated a upward or downward trend in the number of vacant classrooms.

12. The **Secretary for Education and Manpower** provided the overall "vacant classroom" rates since the 1993-94 school year in the Annex of the same information note. He also stated that:

- in the Audit Report, the number of "vacant classrooms" referred to the numerical difference between the number of classrooms as registered with the

## Planning and provision of public secondary school places

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EMB and the number of approved classes. The term “vacant classrooms” did not carry its intuitive meaning that the classrooms were left vacant. Although no formal surveys on classroom utilisation were conducted, the EMB maintained a good understanding of the use of space in school premises for teaching and support purposes through regular school visits, as well as schools’ formal notification of or application for change of designated use of rooms;

- compared to the Year 2000 school design, many existing schools were accommodated in substandard premises. It was indeed common that many secondary schools with “vacant classroom” had expressed difficulties in finding enough space for various educational activities. In response to the Audit Report, the EMB had specifically checked out the situation of the 50 schools identified and confirmed that the “vacant classrooms” were put to beneficial use for students. The EMB would continue to keep a vigilant eye on classroom utilisation to optimise the use of resources; and
- regarding the overall “vacant classroom” rate, over the years more schools had rationalised their class structures transforming from asymmetrical (e.g. 6-6-6-4-4-2-2) to symmetrical ones (e.g. 5-5-5-5-5-2-2). It was educationally undesirable to use up every registered classroom to operate additional classes if such an arrangement would result in an asymmetrical class structure. Furthermore, a few reserve classrooms could be used as a small buffer for operating additional classes to meet sudden, transient changes in demand.

13. On the development of through-train schools, the Committee noted that many schools adopting the “through train” mode were located in the new districts. However, primary school students might move to another district when they were promoted to secondary schools and leave the through-train secondary school, giving rise to unfilled places in the secondary schools. The Committee wondered whether the Administration should continue to promote the development of through-train schools and build new schools for this purpose.

14. The **Permanent Secretary for Education and Manpower** responded that, from an educational point of view, the concept of through-train schools was definitely good because such schools offered a coherent curriculum that provided continuity of learning experience throughout the primary and secondary schooling. This facilitated the transition from primary to secondary education for students. Hence, the EMB encouraged schools in the same districts, including those that belonged to different sponsoring bodies, to become

## Planning and provision of public secondary school places

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through-train schools as far as possible. Even government schools could link up with aided schools to form through-train schools. As the adoption of the through train mode was a new initiative, attainment of the policy objective had to rely on the establishment of new schools.

15. The Committee noted that, on the basis of the value-added scores obtained by Schools A to D, Audit had recommended that the EMB should encourage those schools which were providing added value to the educational process to operate classes in all their available classrooms. As for those schools that had not made significant contributions to the progress of their students, the EMB should require them to make improvements within a reasonable period of time. In response, the Secretary for Education and Manpower said in paragraph 2.18(i) and (o) of the Audit Report that the EMB would take into account a host of indicators to evaluate the performance of schools and the value-added score was only one of the many indicators. To ensure a fair assessment of a school, a myriad of performance data should also be considered. The EMB was pursuing a School Development and Accountability Framework (SDAF) in which a balanced set of indicators and data would be used to evaluate the performance of schools in all key aspects.

16. Against the above background, the Committee asked:

- about the details of the SDAF and whether the schools had agreed to the set of indicators and data for evaluating their performance; and
- whether the performance of schools as evaluated under the SDAF would affect the amount of resources allocated to the schools.

17. The **Permanent Secretary for Education and Manpower** explained that:

- it was very difficult, not only in Hong Kong but also all over the world, to evaluate the quality of education. In the past, schools focused on students' performance in public examinations. The EMB had introduced the value-added scores in recent years. However, these scores were silent on the absolute academic performance of students. It was possible for a secondary school to have a high value-added score but low absolute performance in the Hong Kong Certificate of Education Examination (HKCEE). Hence, it was necessary to look at both a school's value-added scores and its academic performance;

## Planning and provision of public secondary school places

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- in early 2003, the EMB launched a trial scheme in 100 schools to implement the SDAF. Under the SDAF, schools were required to conduct self-evaluation annually and to be reviewed by the EMB every four years. There were dozens of key performance measures (KPM) covering four domains, i.e. management and organisation, learning and teaching, student support and school ethos, and student performance. Schools were required to provide school level information on all KPM for the EMB to generate territory-wide norms against which school performance could be compared and assessed. Such information would be published on the schools' websites; and
- the key processes of the SDAF focused on strengthening schools' capacity for continuous development through school self-evaluation and external school review. Schools' performance on the KPM was not relevant to the allocation of resources to the schools concerned. If a school had insufficient intake of students but good performance on the KPM, the EMB would have to seriously consider whether it was appropriate to reduce its classes.

18. In the light of the Permanent Secretary for Education and Manpower's reply that a school's performance as evaluated under the SDAF was not relevant to the allocation of resources to the school, the Committee wondered whether and how the SDAF could help address the under-utilisation of classrooms in schools.

19. At the Committee's invitation, the **Director of Audit**, in his letter of 30 December 2003 in *Appendix 33*, commented that, in Audit's view, the EMB should, in principle, take action to ensure that schools made use of all available classrooms. Where vacant classrooms existed in a school, it was up to the Secretary for Education and Manpower to decide whether to use the value-added scores or the myriad of indicators under the SDAF to assess the school's performance in order to take appropriate action to address the problem.

20. The Committee pointed out that Audit had used the number of vacant classrooms in a school and the school's value-added scores as the bases for highlighting those schools that should be monitored by the EMB. However, the EMB considered that the value-added scores were only one of the many indicators to evaluate the performance of schools. It appeared to the Committee that the EMB had not put forward any objective criteria to help determine the amount of resources that should be allocated to individual schools. Under the circumstances, the Committee queried how the EMB assured the public that resources had not been wasted even where a school had five or more vacant classrooms.



## Planning and provision of public secondary school places

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21. The **Permanent Secretary for Education and Manpower** reiterated that:

- the problem of vacant classrooms was not serious. While there were 50 public secondary schools with vacant classrooms, 27 in fact lacked special rooms and 11 were new schools which had yet to operate classes at higher levels. Of the remaining 12 schools, some were located in remote areas and served ethnic minority children. These schools could not be closed. Moreover, when vacant classrooms were put to good use for the benefits of students, there was no question of wasting taxpayers' money;
- actually, the unfilled places in many under-enrolled classes were scattered in different schools and could not be regarded as a waste of resources. Moreover, the small amount of vacant classrooms could provide a small buffer for operating additional classes to meet sudden changes in demand due to various reasons. For example, in a Year of the Dragon, there could be 10,000 more students than in another year;
- as the EMB was required by the Financial Services and the Treasury Bureau to save resources, it would certainly try to combine under-enrolled classes. This was a money saving measure that should not jeopardise the quality of education. For example, if a school was allowed to operate five Secondary One classes but could only admit sufficient students for two classes, it was already the existing practice that the school would be required to operate less classes at that level in the following year. The minimum class size for secondary schools was 35 students. If there were 35 students in a class, the EMB would not force the school to combine classes; and
- the EMB was also discussing with some aided schools the possibility of their transforming into other types of schools, such as senior secondary schools. The EMB hoped that there could be 19 senior secondary schools but there were now only 13. In the past, it was difficult to persuade aided schools to transform. It might be easier nowadays due to the projected decrease in population.

22. The Committee enquired about the measures taken by the Administration in the past three years to reduce the number of under-enrolled classes in secondary schools, the number of classes that had been reduced and the amount of saving achieved as a result.

## Planning and provision of public secondary school places

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23. The **Secretary for Education and Manpower** advised, in the information note, that:

- packing under-enrolled classes was a regular exercise carried out by the EMB to maximise the utilisation of school places. In implementing this measure, the EMB would take into account educational and administrative factors to minimise disruption to both the schools and the students. For example, it would be most disruptive to schools' time-tabling and planned activities to pack classes right at the beginning of a school year immediately after the headcount. A more practicable way was to pack classes by approving fewer classes at the next higher levels before finalising the class structure for the following school year, having regard to the existing enrolment situation;
- the numbers of classes reduced through this exercise in the past three years were as follows:

<b>2001-02 School Year</b>	<b>2002-03 School Year</b>	<b>2003-04 School Year</b>
2 classes	14 classes	49 classes*

\* This was the actual number of classes packed. The Audit Report had referred to the estimated number of 50; and

- the notional savings were estimated to be about \$2.6 million in the 2001-02 school year, \$18.6 million in the 2002-03 school year and \$64 million in the 2003-04 school year.

24. The Committee referred to the Secretary for Education and Manpower's opening statement that diversity and choices would be empty promises if a reasonable degree of surplus supply of school places was not available to facilitate student movement and to identify the less popular or relatively weak schools. It asked whether:

- vacant classrooms and unfilled school places were the price that the community had to pay in order to provide choices for students;
- the Administration, in order to meet its objective of introducing diversity and choices into the education system, had set a target percentage of surplus school places; and
- the Administration had set a tolerance limit of vacant classrooms or unfilled school places beyond which it would take action.

## **Planning and provision of public secondary school places**

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25. The **Secretary for Education and Manpower** and the **Permanent Secretary for Education and Manpower** replied that:

- the EMB did not consider vacant classrooms or unfilled school places as a price for the provision of choices. It was a question of striking a balance. To provide for choices, there must be a reasonable number of surplus school places to enable students to choose their preferred schools. For example, if there were three schools in a district which only provided sufficient places for all the students in the same locality and no more, building a fourth school would provide a choice for students to switch to this new school. But this would also give rise to unfilled places. In the circumstances, the EMB would have to strike a balance between the provision of choices and the creation of surplus supply;
- the Government did not have a policy of leaving some school places vacant. Actually, the unfilled secondary school places had arisen as it was impossible to achieve a perfect match between what was planned and what actually happened. Moreover, the unfilled places were also due to the Government's policy initiatives to identify the less popular schools through the introduction of market mechanism into the education system. As these were new initiatives, their results had yet to be seen. For instance, the first batch of DSS schools was only set up in 2000. Even taking into account all DSS school projects included in the current School Building Programme, the places provided by DSS schools would still only account for about 5% of all school places, which was a small percentage. The EMB needed more time to assess their popularity; and
- it was the EMB's policy that it would not allocate students to DSS schools if they had not chosen such schools. Therefore, when projecting the future supply of public secondary school places, the EMB could not factor in all the DSS places available. If the EMB had taken into account 100% of the DSS places but it turned out that only 60% of students chose such schools, there would not be enough subsidised school places for the remaining students. Hence, the EMB had to leave some leeway when making projections. Nevertheless, the EMB noted Audit's comment that the 60% of DSS school places that it took into account were on the low side. It was reviewing the enrolment records of DSS schools and would consider adjusting the assumptions used in the supply forecast.

## Planning and provision of public secondary school places

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26. Regarding the EMB's plan to build 34 new secondary schools, the Committee pointed out that some school principals were dissatisfied that new schools were built while some schools had to reduce classes. They were concerned that this would lead to vicious competition among schools. The Committee enquired:

- about the Administration's views on the school principals' concern; and
- whether the Administration would proceed with all the 34 projects.

27. The **Secretary for Education and Manpower** and the **Permanent Secretary for Education and Manpower** responded that:

- the EMB understood the school principals' concern. However, to achieve quality and self-improvement, it was necessary to have healthy competition and diversity in the school system. Schools that performed well could attract students and continue to operate whereas those that did not have sufficient intakes would be phased out. The redundant teachers might switch to teaching in other types of schools;
- since 1999, the EMB had introduced an open, competitive process for allocation of new schools to SSBs. Each SSB had to submit a proposal for consideration by a vetting committee before it would be selected. The proposal would become part of the service agreement between the EMB and the school. The school would be required to undergo a detailed school inspection within ten years of their completion. If its performance was not satisfactory, the EMB could take back the school premises according to the service agreement. Hence, the new schools could better respond to parents' and the community's expectations;
- all the 34 schools had been allocated to SSBs and the EMB hoped that the Legislative Council would continue to allocate funding to these projects. The SSBs concerned had spent a lot of efforts on preparing the proposals and had undertaken a lot of preparation work. Some had employed school principals to design the curricula and some were already operating in temporary school premises; and
- at present, some 400 schools either had a site area of less than 3,000 square metres, which was less than half of the standard site area for a Year 2000 secondary school, or were built more than 30 years ago. New school premises were needed for the reprovisioning or redevelopment of these schools.

## Planning and provision of public secondary school places

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28. The Committee further asked the Administration:

- of the 34 new schools, the respective numbers of those which would be used for reprovisioning or redeveloping old schools and for meeting new demand; the justifications for building schools to meet new demand; and how the old school premises would be disposed of upon reprovisioning or redevelopment of the old schools; and
- of the 400 schools which were accommodated in substandard facilities or were very old, the number which would be reprovisioned or redeveloped.

29. The **Secretary for Education and Manpower** stated, in the information note, that:

- the 34 new schools referred to in the Audit Report were taken from the School Building Programme as at March 2003 and they were required to meet new demand. Of these 34 schools, 14 had come into operation in the 2003-04 school year. The School Building Programme was updated in the last quarter of 2003, taking into account the latest forecast in supply and demand of school places. With a forecast shortfall of 423 classes, the EMB planned to complete 19 new secondary schools between 2004 and 2007, in order to meet the Government's pledge of providing nine-year free and universal basic education for all eligible children and subsidised senior secondary places for form three students who had the ability and wish to continue their studies;
- in addition, the current School Building Programme had included seven new secondary school projects which were planned for reprovisioning or redeveloping existing schools. Upon reprovisioning, it was the Government's general policy to require the SSBs concerned to surrender the vacated premises to the Government for alternative use, including for other educational purposes, such as re-allocation to other school sponsors after appropriate conversion or redevelopment; and
- reprovisioning and redevelopment of schools accommodated in substandard premises was a long-term target and the number of schools to be included was subject to the availability of funds and land. The EMB aimed to take forward a rolling programme, covering a few schools each year at the initial stage. Although numerous existing schools were still accommodated in substandard premises, many of them had been provided with reasonable improvements in facilities and premises under the School Improvement Programme.

## Planning and provision of public secondary school places

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### Unfilled places in public secondary schools and the model for projecting future supply and demand for public secondary school places

30. Paragraphs 3.11 to 3.14 of the Audit Report revealed that many students who wished to pursue studies in Hong Kong after passing the HKCEE could not be admitted to Secondary Six due to the limited number of places, yet many of those admitted to Secondary Six chose not to study in Secondary Seven. This was because some of them went abroad to continue their studies or were admitted to local universities after completing Secondary Six through the Early Admission Scheme. Audit recommended that the EMB should increase slightly the class size standard of 30 students per class for Secondary Six classes. The Committee noted the Secretary for Education and Manpower's response in paragraph 3.16(b) that some schools had already voluntarily enrolled more than 30 students in their Secondary Six classes.

31. Against the above background, the Committee asked whether the Administration would, instead of allowing schools to operate over-enrolled classes, consider increasing the class size standard for Secondary Six to, say, 32 students per class.

32. The **Permanent Secretary for Education and Manpower** replied that:

- although it was the Government's policy to let one-third of Secondary Five students move up to Secondary Six, about 36% or 37% of students could be admitted to Secondary Six in recent years. Schools were indeed given the flexibility of enrolling more than 30 students in their Secondary Six classes; and
- as the curriculum of Secondary Six aimed at preparing students for admission into tertiary institutions, it might not be appropriate to expand enrolment at this level in anticipation of possible dropout at Secondary Seven level. Rather, when there were unfilled places at Secondary Seven, the EMB expected the schools to make efforts to better prepare the remaining students for the Hong Kong Advanced Level Examination (HKALE). There were other diversified learning opportunities for the less academically inclined students.

33. The Committee noted from paragraph 3.13 of the Audit Report that, in recent years, the number of Hong Kong students going abroad to continue studies had increased by 55%, from about 9,700 in 1998 to 15,000 in 2001. The Committee asked whether the Administration had identified the reasons for the significant increase. In addition, the Committee also queried whether the Early Admission Scheme had caused confusion among secondary schools.

## Planning and provision of public secondary school places

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34. The **Secretary for Education and Manpower** and the **Permanent Secretary for Education and Manpower** responded that:

- it was inappropriate to suggest that students had chosen to further their studies abroad because the local education system was at fault. It was indeed a blessing that Hong Kong people could afford studying abroad, leaving the local school places to those who could not afford it. Moreover, many students who studied abroad would return to Hong Kong after completing their studies, adding to the talents in Hong Kong. It should also be noted that overseas universities would not admit Hong Kong students if their performance was not up to standard. This reflected that students furthering their studies abroad had received good education in Hong Kong;
- one of the reasons for implementing the Early Admission Scheme was to save students' learning time by admitting them to universities after they had completed Secondary Six without requiring them to sit for both the HKCEE and the HKALE within two years' time. The scheme would certainly benefit the students. Moreover, the EMB would not reduce the resources allocated to schools even though some of their students were selected under the scheme; and
- as regards whether the scheme would have adverse impact on the other students not selected, it depended on whether the school principals and teachers could prevent the remaining students from developing a sense of frustration. It was possible that the remaining students' confidence might be enhanced after the top students had left as they would have more opportunities to demonstrate their abilities.

35. The Committee noted from paragraph 5.4 of the Audit Report that the EMB's projected demand for Secondary Six places in any given year was derived by taking one-third of the number of subsidised Secondary Four places two years earlier. The number of Secondary Seven places was assumed to be the same as that of Secondary Six a year earlier. The Committee asked the Administration whether, when making projections for the future supply and demand of secondary school places, it would consider operating more Secondary Six classes and less Secondary Seven classes, taking into account the growing trend of Secondary Six students furthering their studies abroad and not studying in Secondary Seven, so as to make the best use of resources.

## Planning and provision of public secondary school places

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36. The **Permanent Secretary for Education and Manpower** said that there were a lot of uncertainties that might affect the future supply and demand of secondary school places. Examples were parental choice, the number of students going abroad to pursue studies and whether the proposed “3+3+4” structure (i.e. a three-year junior secondary, three-year senior secondary and four-year undergraduate programme) would be adopted. The implementation of such a structure would require a lot of additional resources. The EMB would have to consult the public before making a decision. Nevertheless, the EMB would try its best to make its forecast as accurate as possible.

37. On the question of caput schools, the Committee was concerned that while there were some 20,300 unfilled places in public secondary schools, the Government had spent \$246 million on buying 7,300 school places from caput schools in the 2002-03 school year. The unfilled places were more than sufficient to absorb the places provided by caput schools. According to paragraph 3.31(a), the EMB had undertaken to consider reducing the number of places bought from the caput schools with a substantial number of unfilled places. The Committee asked:

- about the likely reaction of the caput schools to the EMB’s proposal of buying less school places from them; and
- whether the Government had any contractual or legal obligation to buy places from caput schools; if so, what the contractual or legal implications would be if the Government was to reduce the number of places bought from such schools, and how it would address the problems.

38. The **Permanent Secretary for Education and Manpower** said that:

- the EMB would critically review the demand for caput schools in different districts, taking into account the quality of the schools. In some districts, such as Kwun Tong, there were insufficient school places. The EMB would consider continuing to buy places from the caput schools in those districts. In other districts, such as Tai Po, there were surplus places. The EMB would discuss with the principals of the caput schools concerned. It would also discuss the future of caput schools with the caput school council;
- in 2000, the EMB had offered the option of changing to DSS schools to those caput schools the quality and premises of which met the required standard. A lot of private schools accepted the offer at that time. The EMB had also invited caput schools to change to aided schools. But they refused because if they did so, the Government would take back the land on which their schools



## Planning and provision of public secondary school places

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were located. The existing caput schools had rejected both offers. The EMB would need to discuss with these schools with a view to gauging their views on their future development; and

- the EMB would adopt a gradual approach to reduce the number of places bought from a caput school, allowing a transitional period for the school to make preparation. Probably, the EMB would reduce the number of school places bought on a level-by-level basis.

39. As regards the Government's contractual or legal obligation to buy places from caput schools, the **Secretary for Education and Manpower** advised, in the information note, that:

- the Government had been buying places from caput schools since the 1970s' and administered the scheme through the Caput Grant Rules. While there was no contractual or legal obligation for the Government to continue buying the places at all levels, caput schools might expect the Government to continue to allow them to retain their caput status, to process their class structure in a way similar to their counterparts in the aided sector, and to provide parents with choices of school places; and
- there were some caput schools with full enrolment even though they were in districts with declining demand for school places. From an educational point of view, the Government should reward good performance and not withdraw subvention from popular schools. The EMB would consider phasing out subvention for the caput schools that were weak in performance and were grossly under-enrolled.

### Government secondary schools

40. According to paragraph 4.5 of the Audit Report, in response to the Committee's recommendations in its Report No. 15, the Administration had reviewed the policy on the provision of government schools in 1993. It stated that the purpose of government schools was to meet objectives which could not be met by aided schools, including gaining first-hand experience in running schools, providing a testing ground for experimental teaching methods and practices, providing education for children who might have difficulty in obtaining a school place, as well as meeting demand in case of sudden closure of schools.

## Planning and provision of public secondary school places

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41. Since the review on the policy on government schools was conducted some ten years ago, the Committee enquired whether the EMB would revisit the objectives of providing such schools to see if they were still valid in present-day circumstances. For instance, given the current decline in student population, aided schools might be more willing to accept over-aged children or new immigrants than before.

42. The **Permanent Secretary for Education and Manpower** replied that:

- the Administration agreed that there was a need to review the policy on the provision of government schools again due to the changing societal needs and trends in student population. The EMB had already set up a Working Group to review the future roles and development of government schools;
- some of the reasons for running government schools given in 1993 were still valid today. EMB staff still encountered difficulties in obtaining places in aided schools for some problem children, such as those who had quitted school for some time or those who had bad record. Government schools also had a role to play in implementing many education initiatives, such as opening up School Management Committees to parents and community members, particularly when no aided schools were willing to try out the new initiatives;
- the criteria for cutting classes in aided schools also applied to government schools. The EMB would seriously consider closing those government schools which had a large number of unfilled places. In the 2004-05 school year, there would be one or two government secondary schools which would not admit any more Secondary One students and would be phased out gradually; and
- on the other hand, there were high-quality government secondary schools which were very popular and should be retained. As pointed out by Audit, the high operating cost of government schools was mainly due to the high staff cost for civil servants instead of these schools spending more money than aided ones in other aspects. It would be unreasonable to force closure of well-performing government schools in order to cut staff cost. Actually, some government school teaching posts had already been filled by staff employed on contract terms.

## **Planning and provision of public secondary school places**

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### **43. Conclusions and recommendations    The Committee:**

#### **Classroom utilisation**

- expresses concern that there were 145 vacant classrooms in public secondary schools as at September 2002;
- notes that:
  - (a) the Permanent Secretary for Education and Manpower has commented that the 145 vacant classrooms amounts to only 1.4% of all classrooms available in the public secondary schools and the situation of vacant classrooms is not serious. However, the Secretary for Education and Manpower agrees that the persistent under-utilisation of classrooms needs to be tackled;
  - (b) most of the vacant classrooms are being put to beneficial use; and
  - (c) the EMB has generally accepted Audit's recommendations in paragraph 2.17 of the Audit Report;

#### **Unfilled places in public secondary schools**

- expresses concern that:
  - (a) many eligible students could not be admitted to Secondary Six due to the limited number of places, yet many of those admitted chose not to study in Secondary Seven;
  - (b) the under-utilisation problem in ex-prevocational/technical schools was widespread; and
  - (c) while there were some 20,300 unfilled places in public secondary schools, the Government had spent some \$246 million on buying 7,300 school places from caput schools in the 2002-03 school year;
- notes that the Secretary for Education and Manpower:
  - (a) has undertaken to critically review the demand for caput schools in different districts and consider reducing the number of places bought from the caput schools which have a substantial number of unfilled places;

## **Planning and provision of public secondary school places**

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- (b) has accepted Audit's recommendations mentioned in paragraphs 3.9, 3.19 and 3.30 of the Audit Report; and
- (c) has no objection to Audit's recommendations in paragraph 3.15 of the Audit Report;

### **Government secondary schools**

- expresses concern that:
  - (a) the broad guideline that each district should have one government secondary school has not been followed;
  - (b) some of the objectives of providing government secondary schools could be met by other means;
  - (c) some government secondary schools had under-utilisation problems; and
  - (d) government secondary schools are more costly to operate than aided secondary schools. The cost differential in 2002-03 was about \$10,000 per student;
- notes that:
  - (a) the EMB is prepared to close those government secondary schools which have a large number of unfilled places and to retain the quality ones. In the 2004-05 school year, there will be one or two government secondary schools which will not admit any more Secondary One students; and
  - (b) the EMB has accepted Audit's recommendations in paragraph 4.19 of the Audit Report and has set up a Working Group to review the future roles and development of government schools;

### **Model for projecting future supply and demand for public secondary school places**

- expresses concern that, in making projections for the future supply and demand of public school places, the EMB might not have fully taken into account all available school places, because:
  - (a) some of the 145 vacant classrooms could be utilised to provide additional school places;

## **Planning and provision of public secondary school places**

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- (b) the number of school places reserved for repeaters at Secondary One to Three could be reduced;
  - (c) more places provided by Direct Subsidy Scheme schools could be taken into account;
  - (d) not all new schools under planning were included in the projection; and
  - (e) the size of Secondary Six classes could be increased slightly as the number of unfilled places at Secondary Seven was significantly higher than that in Secondary Six. There is also a clear trend that many Secondary Six students will choose not to study in Secondary Seven;
- notes that the Secretary for Education and Manpower has generally accepted Audit's recommendations in paragraph 5.16 of the Audit Report; and

### **Follow-up action**

- wishes to be kept informed of any further developments and progress made in implementing the various Audit recommendations and improvement measures.