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June 1, 2005

Hon. Dr. Yeung Sum,  
Chairman,  
Legislative Council Panel on Education,  
Rm. 401 - 409,  
Central Government Offices, West Wing,  
11 Ice House St.  
Central,  
Hong Kong

On behalf of all NETs in Hong Kong, we wish to draw The Panel of Education's attention to the following complaints about the salary package, conditions of work and the administration of the NET scheme in Hong Kong. The EMB have not been good stewards of the Legco vision for the scheme. Currently the scheme is in jeopardy of losing many NETs for the following reasons:

- NET contracts have still not been issued. Usually they are available in April, but NETs are still waiting to hear details of the package. There is a danger that if contracts are not out soon, NETs will leave Hong Kong.
- The reduction of NETs Special Allowance from \$13000 to 10500 was made at a time when the Hong Kong economy was starting to recover after SARS. The EMB continues to maintain that rents are falling (27/5/2005) despite evidence to the contrary. Sam Hui, does not think we have sufficient justification to adjust the Special Allowance upwards without support from objective statistical data. According to the Ratings and Valuations Department, domestic rentals have gone up 14.1% since 2003. Our Special Allowance has gone down 19.3%. The fact is, we can't pay our rent.
- The EMB looks only at the housing component of the CPI, when every other element is also rising.
- NETs are on two different Special Allowance rates, which is patently unfair.
- The Medical Allowance component of our package no longer meets the costs of health insurance.
- Recruitment and retention issues are being severely mishandled by the EMB.
- The EMB does not offer adequate support to NETs in schools, which are able to bully and intimidate teachers with impunity, and to deny them their rightful holidays.
- Recruitment in Australia last year was contracted out to a company which was handicapped by the EMB's slow response to appointments. Candidates who were told in April that they were qualified for a position, had to wait until June for the EMB to confirm their appointments with formal offers. By then, many had taken other jobs.
- Teaching schemes in other countries which, although their salary rates are lower, offer strong support systems to teachers and more progressive employment conditions are attracting discontented NETs away from Hong Kong.

Despite the EMB assurances to Legco, Hong Kong is losing its competitive edge in the English-teaching market.

The EMB has not consulted with NETs over the Special Allowance cuts, despite assurances to Legco that they had consulted widely.

The EMB compares NETs to local teachers contrary to Legco direction that they address the genuine relocation needs of NETs, and in direct contravention of international practice when hiring foreign nationals.

If there are any further cuts to our salary and conditions we can guarantee that there will be an even bigger exodus from the scheme than the current PNET 50% loss rate.


In view of the above points we request the following:

- The NET Scheme Special Allowance be raised from its current rate of \$10500 to \$15,000 per month.
- NETs who signed contracts for the 2004/2005 period have their Special Allowance reinstated to \$13000 retroactively from August 2004
- A fair, accurate assessment mechanism for the annual review of the Special Allowance be set up. This should not be based solely on the CPI, but should take into account the actual expenses that expatriates in Hong Kong face, including a rental index for non-owners and education fees.
- The NET gratuity be increased to 25%.
- Long service payment be automatically made at the end of 5 years' service. Payment to be calculated by the following formula: The final month's salary x 2/3 x 5. This should be in addition to the gratuity.

If the above happens Hong Kong will be able to recruit and keep highly qualified English teachers to ensure that it maintains its position as a world city in Asia, with English as a real second language.

In order to address the current crisis in the NET scheme we request that our concerns be placed on your agenda for urgent discussion.

Sincerely,

  
for: NESTA Special Allowance & Gratuity Committee

Perry Bayer  
Kathy Hill  
Andrea MacKenzie  
Mary Salter