

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 2nd meeting
held at the Legislative Council Chamber
on Friday, 18 November 2005, at 2:30 pm

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, JP
Hon Bernard CHAN, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon LAU Chin-shek, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon CHOY So-yuk, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP

Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon LI Kwok-ying, MH
Hon Daniel LAM Wai-keung, BBS, JP
Hon MA Lik, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Hon CHIM Pui-chung
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin
Hon TAM Heung-man

Members absent:

Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Dr Hon David LI Kwok-po, GBS, JP
Hon SIN Chung-kai, JP
Hon LAU Kong-wah, JP
Hon Vincent FANG Kang, JP
Dr Hon Joseph LEE Kok-long
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Ronny TONG Ka-wah, SC

Public officers attending:

Mr Frederick MA Si-hang, JP	Secretary for Financial Services and the Treasury
Mr Alan LAI Nin, GBS, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Elizabeth TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1

Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Chris WARDLAW	Deputy Secretary for Education and Manpower
Mr Sam HUI	Assistant Secretary for Education and Manpower
Mr Stephen LAM, JP	Secretary for Constitutional Affairs
Ms Doris HO	Principal Assistant Secretary for Constitutional Affairs

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Becky YU	Chief Council Secretary (1)1
Mrs Mary TANG	Senior Council Secretary (1)2
Ms Caris CHAN	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

Item No. 1 - FCR(2005-06)30

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE
ON 26 OCTOBER 2005**

The Chairman put the item to vote. The Committee approved the proposal.

Item No. 2 - FCR(2005-06)31

HEAD 156 – EDUCATION AND MANPOWER BUREAU

♦ **Subhead 000 Operational expenses**

2. The Chairman informed members that the Panel on Education was consulted on the proposal at its meeting on 24 October 2005.

3. Dr YEUNG Sum, Chairman of the Panel on Education, said that the Panel was generally supportive of the proposal to enhance the remuneration package for teachers under the Native-speaking English Teacher (NET) Scheme (the Scheme) which was meant to attract and retain qualified NETs to serve in Hong Kong and to reduce the high attrition rate. Apart from enhancing the remuneration package, more should be done to foster a better working environment for NETs and to raise their job satisfaction.

4. While acknowledging the Administration's intention to reduce the attrition problem by enhancing the remuneration package, Mr CHEUNG Man-kwong said that this might not be the solution because the main reason for the high attrition rate was the lack of job satisfaction on the part of NETs, who were not accustomed to the workload and the class size of the schools in Hong Kong. The restrained working opportunities for their spouses were another factor leading to the attrition. The Deputy Secretary for Education and Manpower (DSEM) said that NETs worked in collaboration with local teachers in class to provide specialized teaching in the English language. The Administration reckoned that enhanced remuneration alone would not be able to resolve all the issues relating to the Scheme. Support had been provided to NETs to help them settle in schools and adjust to the living environment in Hong Kong. The Assistant Secretary for Education and Manpower (ASEM) supplemented that assistance had been provided to the spouses of NETs if they wanted to seek employment opportunities. For those spouses who were qualified to teach English, they were encouraged to register as supply teachers. For those who were able to secure employment in Hong Kong, assistance such as facilitating them to apply for working visas from the Immigration Department, would be provided where appropriate.

5. Mr Howard YOUNG said that members of the Liberal Party were in support of the Scheme to strengthen English learning and teaching as otherwise Hong Kong would lose its competitive edge. He however held the view that the alarmingly high attrition rate of NETs might not be attributed to the more common factors such as remuneration and job satisfaction, but to the transfer of their spouses to other places, in which case an enhanced remuneration package might not be useful in retaining them. He enquired about the percentage of attrition which was necessitated by such transfers. DSEM said that the attrition rates reported in the paper included all cases of contract non-renewal. The increasing attrition rate over the last two or three years was possibly due to a number of compounding factors ranging from personal, professional, remuneration and external conditions. Some NETs would like to move to other places as part of their career development, while some had to leave Hong Kong due to spouse transfers. A survey conducted in July 2005 showed that job satisfaction and remuneration were the key factors of attrition, albeit there might be a combination of other factors. It was hoped that the enhanced remuneration package would encourage NETs who had satisfactorily completed two or more years of continuous service in Hong Kong to stay on so that their experience could be retained for the benefit of schools and students alike. He nevertheless agreed that support from schools would be equally important in retaining qualified NETs.

6. Mr Jasper TSANG said that Members of the Democratic Alliance for Betterment and Progress of Hong Kong were supportive of the proposal. He said that when the proposal was discussed at the meeting of the Panel on Education, it was already pointed out that the enhanced remuneration package alone would not be sufficient in attracting and retaining experienced NETs. Apart from improving school level support, more proactive efforts should be made to effectively reduce the attrition rate. To improve the job satisfaction and foster a team spirit among NETs, consideration could be given to allowing NETs within the same school district to work together in joint teaching programmes. A few NETs could be stationed in one school

for a few weeks at a time to organize such programmes. In this way, NETs would not feel being left alone and could build more rapport with each other. Similar efforts would help ensure the effective implementation of the Scheme.

7. DSEM said that the Administration was open to any proposals which schools might have in enhancing the professional collaboration among local teachers and NETs. A cluster approach similar to Mr TSANG's suggestion was being explored in some schools with a view to promoting an English speaking environment. The fundamental objective was to foster a close working relationship between local teachers and NETs. Mr Jasper TSANG supported that more efforts should be made by the Education and Manpower Bureau to promote the cluster approach, the successful experience of which should be shared among schools.

8. Miss TAM Heung-man enquired whether resources could be allocated to strengthen support and improve working conditions for NETs who, being new and alone in Hong Kong, would find it hard to adapt to the new environment. DSEM said that based on the outcome of the survey conducted on the Scheme, a number of measures were put in place to assist new NETs to overcome the difficulties in adjusting to a new working environment. These included the extension of the induction programme and the engagement of local teachers as mentors. Meanwhile, the more experienced NETs were encouraged to provide the needed support to new NETs to assist them in getting used to the new working environment in Hong Kong.

9. The Chairman noted that when the Scheme was introduced in 1998, the estimated attrition rate was 20%. She asked how far the attrition rate was expected to improve as a result of the enhanced remuneration package. DSEM said that the initial attrition rate of 20% was not based on any real experience. The attrition rate for secondary schools turned out to be 30% to 35% in the earlier years of the Scheme when the conditions were relatively stable. Judging from past experience, the 20% attrition rate as originally envisaged was not realistic. It was hoped that the attrition rate would be retained at about 30% to 35% with the proposed enhancement in remuneration package. The Chairman remarked that with the total recurrent expenditure amounting to \$480 million per annum for the Scheme, the public would expect to see a significant upgrading in the English language teaching system in Hong Kong through the employment of high quality NETs.

10. Noting that the remuneration package for NETs was much higher than that of local teachers, Miss TAM Heung-man enquired if an assessment had been made on the cost effectiveness of the Scheme. She also enquired about the basis upon which the level of the retention incentive was arrived at and whether such incentive would be able to attract and retain qualified NETs. DSEM confirmed that continuous assessments had been made on the Scheme and the outcome had been and would be reported to the Panel on Education. The Scheme had generally met its intended objectives in that the English proficiency of teachers and students had been improved as a result of increased exposure to the English language. A study on the Scheme was underway in primary schools since the 2002-03 school year and the findings were very promising. It showed that schools and NETs were working very well together, and that support services had been provided to NETs. The schools were also

requested to evaluate the Scheme so that their support strategy could be suitably adapted to meet the needs of NETs. As regards the retention incentive, ASEM said that this was worked out based on a percentage of the current base salary and would commensurate with the years of service of NETs. The Native-speaking English Teachers' Association had been consulted on the proposed level of retention incentive and they agreed that such should be reasonably attractive in helping retain serving NETs in Hong Kong.

11. Given the inability to retain NETs despite the high remuneration package, Dr LUI Ming-wah enquired if consideration could be given to recruiting English teachers from the Mainland, Taiwan and Singapore, some of whom were highly proficient in English. He opined that teachers recruited from Asian countries would be more adaptable to the local environment and thus would be more likely to stay as compared to their counterparts from western countries. DSEM said that the Administration was recruiting native-speaking and near-native speaking English teachers who had the necessary experience and qualifications to teach the English language from all over the world. ASEM added that advertisements had been placed in newspapers worldwide for the recruitment of NETs. So far, there had not been any recruitment of English teachers from the Mainland, but there had been a number of English teachers of Chinese descent recruited from other countries like Singapore. The remuneration package under the Scheme was applicable only to NETs whose normal place of residence was not in Hong Kong. It would not apply to returning local residents who would be offered local terms. Dr LUI Ming-wah however opined that efforts should be made to recruit English teachers from the Mainland.

12. Mr LEUNG Yiu-chung opined that the Administration should consider other alternatives if the enhanced remuneration package was not well received. One of the alternatives would be to provide funding for schools to recruit their own English teachers. He also enquired about the criteria for assessing the effectiveness of the Scheme and whether additional funding would be required to further enhance the remuneration package. DSEM said that continued efforts would be made to recruit and retain qualified NETs. Apart from the enhanced remuneration, more efforts would be made to retain qualified NETs. Support services would be stepped up taking into account views expressed by members at the current meeting. The Scheme was reviewed annually and other options would be considered as necessary. The Administration was in the process of recruiting more NETs to ensure that one NET would be made available for each eligible primary school as pledged. It would continue to support NETs to add value in the teaching of English. At present, the Administration was confident of the success of the Scheme and it would share the results with the Panel on Education.

13. While supporting the Scheme and the provision of support services for NETs, Mr Abraham SHEK held the view that the Scheme itself was only a short-term expedient measure to improve English learning and teaching. As NETs were non-locals and would not be staying in Hong Kong permanently, they might have lacked the needed dedication. There was hence a need for longer term planning to train local teachers to teach English i.e. to "train the trainers" to teach the students. DSEM said that the Scheme was a value-added measure to improve English

proficiency in schools and was not intended as a short-term expedient measure. Significant investments had been made in the past decade for professional upgrading of local teachers in the teaching of English. Basic competency assessment was introduced and standards were set for students and teachers to work to. While the Scheme might not be kept at its present mode of operation in the long run, it was very important in the short/medium-term to supplement all the other work in improving English proficiency in schools which was predicated on the collaboration between local teachers and NETs.

14. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 3 - FCR(2005-06)32

Head 21 – CHIEF EXECUTIVE’S OFFICE

♦ Subhead 000 Operational expenses

15. The Chairman informed members that the Panel on Constitutional Affairs (CA Panel) was consulted on the proposal at its meeting on 20 June 2005. She also drew members’ attention to a supplementary information note tabled at the meeting regarding the activities undertaken by Mr TUNG Chee-hwa in his capacity as the former CE since he left office in March 2005.

(Post-meeting note: The supplementary information note was subsequently circulated to members under FC Paper No. FC 10/05-06.)

16. Dr LUI Ming-wah, Chairman of the CA Panel, said that the Panel discussed the remuneration and the post-office arrangements for Chief Executives (CEs) at its meeting on 20 June 2005. It was noted that with effect from 1 July 2007, the remuneration package for CE would involve an annual cash remuneration pegged at 112.5% of that for the Chief Secretary for the Administration (CS), and that the total cost of the new package would be capped at the level of the existing remuneration package so that this would not entail any extra financial burden to tax payers. As regards the proposed package of services to support former CEs in discharging promotional and protocol-related functions, the Panel raised the following issues -

- (a) whether former CEs should be provided with office accommodation, administrative support, security protection and car with driver service on a life-long basis or a need basis, and if provided, whether these services should be shared by all former CEs;
- (b) need to ensure that former CEs would not use the services provided for personal and commercial activities; and
- (c) whether the additional recurrent expenditure arising from the office for former CEs, estimated at around \$2.2 million in a full year, was too high.

The Administration had noted the abovementioned points and agreed to formulate guidelines on the operation of the office in supporting former CEs to fulfill their “ambassadorial role”.

Remuneration package for CE

17. Mr Albert CHAN said that although the economy was seen to have recovered, little had been done to resolve the many problems associated with poverty. Yet, the Administration was proposing enhancement to the remuneration for CE and supporting services for former CEs. In reply, the Secretary for Constitutional Affairs (SCA) clarified that the remuneration for CE had not been enhanced but in fact had been slightly reduced. The proposed remuneration would be a total cash package with the relevant benefits encashed and would amount to about \$4.02 million per annum, which was about 12.5% more than the existing annual encashed pay of CS.

Services for former CEs

Participation of promotional and protocol-related functions by the former CE

18. Ms Margaret NG sought elaboration on how former CEs could use their international connections in discharging promotional and protocol-related functions for Hong Kong; playing a bridging role between Hong Kong and the Mainland on matters affecting the two places; and promoting the interest of the local community. Referring to the list of functions attended by the former CE, Mr TUNG Chee-hwa, in Annex B to the information note tabled at the meeting, SCA said that the opening ceremony of Ningbo/Hong Kong Economic Forum in September 2005 and the roundtable discussion meeting between the business sectors of Hong Kong and California were some of the events through which the former CE had made use of his international connections (and those in the Mainland) to promote Hong Kong’s status as an international business centre.

19. Given the dual role of Mr TUNG Chee-hwa, Ms Margaret NG said that it would be difficult to tell whether he was acting as the former CE or the Vice-Chairman of National Committee of the Chinese People’s Political Consultative Conference (NCCPPCC) in dealing with matters between the Mainland and Hong Kong. Mr Albert CHAN also pointed out that it would not be easy to define the types of activities which were performed in the interest of Hong Kong. Quoting some of the examples on the list of activities attended by Mr TUNG, he could not see how Mr TUNG’s attendance was of any use in promoting Hong Kong. Hence, he was strongly opposed to the proposed provision of services to former CEs, adding that this also ran contrary to the principles of public finance.

20. SCA explained that the promotional and protocol-related functions would include meeting with local and overseas dignitaries, taking part in economic forums and holding discussions with local and overseas business sectors. These activities would serve to foster closer ties with Mainland and overseas countries. Some of the functions attended by Mr TUNG Chee-hwa were fund-raising charity events organized for a worthy cause and should be supported. As regards the dual role of

Mr TUNG, SCA clarified that support services for Mr TUNG to discharge his duty as the Vice-Chairman of NCCPPCC were not provided by the Government of the Hong Kong Special Administrative Region (HKSAR).

21. Mr TAM Yiu-chung said that while agreeing to the need to ensure that public resources were well spent, services should be provided to support former CEs in discharging promotional and protocol-related functions, which would not only promote the interests of the community but also assist in maintaining their international connections. He considered that the celebration of the anniversary of a political party was an important event and he could not agree that the former CE could not attend such activity, the invitation for which was extended to dignitaries and senior Government officials, including the former CE. Mrs Sophie LEUNG said that as keen observers of political development in Hong Kong, former CEs should attend functions organized by different political parties as far as possible. SCA said that former CEs were free to accept invitations from any political parties.

22. Miss TAM Heung-man enquired if all former CEs, irrespective of their duration of office and reasons for departure, were entitled to the proposed package of services. She also enquired about the security protection for former CEs and the mechanism to ensure that the services provided would not be used for personal and commercial activities. SCA advised that all CEs would be entitled to the proposed services regardless of the duration of office. However, CEs who were removed from office as a result of impeachment under the Basic Law would not be entitled to such services. He emphasized that these services were meant to facilitate former CEs to discharge promotional and protocol-related functions for Hong Kong and were not intended for their personal and commercial activities. Meanwhile, the provision of security protection for former CEs would be subject to security assessment by the Police from time to time.

Office accommodation and administrative support

23. Ms Margaret NG sought justifications for a full-time secretary and driver for former CEs. SCA said the proposed package of services was recommended by the Independent Commission appointed to consider issues relating to the office of CE. Reference had also been made to the services for former Government heads in places outside Hong Kong. Miss NG said that she had earlier indicated to the Independent Commission that a direct comparison between former Government heads of overseas countries and former CEs of HKSAR might not be appropriate. She requested to put on record her disapproval of the creation of a public office of “former CEs” and the proposed services for former CEs as a standing arrangement, albeit she would not object to the provision of a car with driver service for former CEs to attend official functions on a need basis. On this point, the Chairman enquired about the need for a full-time secretary and driver for the former CE given the limited number of functions attended in the past few months.

24. SCA said that the Administration had carefully considered the views put forward by members and had made reference to the services provided to former Government heads of places outside Hong Kong, such as those provided to the former

state premiers of Australia, before putting up the present proposal. Apart from the list of functions attended as set out in Annex B to the information note, the former CE had met with many local and overseas dignitaries and delegations and had attended a number of promotional events. As regard the provision of office accommodation and administrative support for former CEs, SCA said that this would be kept under review, but this should not be a problem in view of the small number of staff involved.

25. As it would be difficult to delineate between personal and official activities conducted by former CEs, Mr CHEUNG Man-kwong opined that it might be necessary for the Administration to provide a breakdown on the expenses incurred in the provision of services to former CEs in connection with their official functions. He also enquired if the full-time secretary and driver for former CEs could be re-deployed for other duties, since they might have spare capacities when former CEs were not actively engaged in official functions after leaving office for a number of years. SCA explained that the expenses associated with the provision of services to former CEs, being mainly the cost of staff remuneration, would be set out in the estimates of expenditure as part of the annual budget, which was made available for public scrutiny. The Administration would explain to Legislative Council (LegCo) the relevant expenditure in this context. He assured members that the Administration would closely monitor the services provided to former CEs to ensure that public money would be well spent. Redeployment of staff as appropriate would be considered to optimize the use of available manpower resources.

26. While agreeing to the provision of medical and dental care as well as protocol arrangements for former CEs, Dr Kwok Ka-ki said that he would object to the provision of a fixed office accommodation along with full-time administrative support. He opined that such services were not only unnecessary but would expose former CEs to public scrutiny since they would have to account for their activities. Judging from the limited number of functions which the former CE had attended in the past, it would not be cost-effective to maintain a fixed office accommodation with administrative support for former CEs. A better arrangement would be for the office accommodation, administrative support and transportation services to be provided on a need basis when the former CEs had to discharge promotional and protocol-related functions. SCA explained that the office was not established to serve one particular former CE, but would be made available to facilitate any former CE to discharge promotional and protocol-related functions in Hong Kong. The Administration was conscious about the cost implications of maintaining the office and thus would only deploy junior staff to manage the office. Besides, former CEs were not expected to account for each and every activity they engaged in.

27. Mr LEUNG Kwok-hung agreed with other members that it would be hard to differentiate between protocol-related activities and personal business activities. The situation was further aggravated given that the former CE was a businessman. Through the provision of services, the public was actually supporting his activities, some of which needed not be attended in his capacity as former CE. Unlike LegCo Members who had to return all office equipment to Government when departing from office, former CEs could be provided with services and need not account for such usage. It would be unfair for the public to subsidize the activities of former CEs.

He considered that where needed, a subcommittee could be set up under the Finance Committee to look into the issue to ensure that public money was well spent. SCA said that former CEs would only be provided with administrative support. Their participation in promotional and protocol-related activities was meant to promote the interests of the Hong Kong community. The proposed services were recommended by the Independent Commission after taking into consideration the practice of overseas countries. As regard the provision of office equipment for former CEs, SCA said that such equipment would remain Government property and would be returned to the Government after use.

28. Mrs Sophie LEUNG said that there seemed to be a misunderstanding that former CEs were entitled to remuneration, and requested the Administration to clarify this. SCA affirmed that former CEs would not be remunerated but would be provided with services to facilitate them to discharge promotional and protocol-related functions.

29. Ms Miriam LAU said that Members of the Liberal Party were in support of the proposed services for former CEs as similar arrangements were also made available for former Government heads of overseas countries. She was under the impression that some members had mistaken that the proposed services were only meant for the former CE, Mr TUNG Chee-hwa. She considered it necessary for the Administration to confirm that the present proposal was meant to institutionalize the future arrangements for all former CEs. SCA said that as set out in the paper, the proposal to establish an office was aimed at providing support services to former CEs. Since there was at present only one former CE, members were inclined to believe that the proposed arrangements were intended to serve the only former CE. In fact, the proposed package of service would apply to all former CEs to facilitate them in discharging promotional and protocol-related functions for the interest of Hong Kong.

30. Ir Dr Raymond HO said that Members of the Alliance would support in principle the proposed services for former CEs which provided the basic services for former CEs to facilitate them in carrying out promotional functions, which in his view did not need to be accounted for. He also believed that more resources would be necessary in future when more former CEs required such services.

Employment control on former CEs

31. Since former CEs would be subject to employment control within three years after leaving office, Mr CHEUNG Man-kwong enquired if the advisory committee set up for the purpose would have the necessary authority to prevent former CEs from engaging in employment or commercial activities which were considered inappropriate. SCA explained that during the first year, a former CE would be barred from taking up any employment or re-engaging in any commercial activities. In the following two years, he should seek advice from the advisory committee before commencing any employment or commercial activities. Public scrutiny would play a part in the enforcement of the decision of the advisory committee on the propriety of taking up employment or commercial activities by former CEs. They would be expected to respect the decisions of the advisory committee.

Action

32. The Chairman put the item to vote. The Committee approved the proposal.
33. The meeting was adjourned at 4:00 pm.

Legislative Council Secretariat
29 December 2005