

Net Presentation to the LEGCO Panel of Education
April 16, 2007

On behalf of the Native English Teachers, I would like to begin by saying that it is our privilege to be such a critical part of the Native-speaking English Teachers Scheme. I believe that many of the NETs view their opportunity to work in the Hong Kong Government schools as a rewarding experience. This said, measures must be taken to improve the workplace satisfaction and the attraction and retention of NETs.

We recognize that the introduction of the Retention Incentive has helped, but, on its own, it has not done enough to retain NETs in the scheme. An impressive number of NETs have served in the scheme since its conception. They have demonstrated a commitment to the Hong Kong education system. However, the 4.5% cut to salaries as a result of the reduction to the Special Allowance in 2004, on top of other salary cuts, increases to taxes, increases in the cost of living and in educational fees, and huge drops in the different currency exchange rates are all working against making the scheme attractive.

Compensating those 04 NETs who loss \$30,000 due to the cut to the Special Allowance is the first step in improving relationships between the NETs and Administration, thus helping to stem the exodus of NETs from the scheme. There is an injustice in having a large number of NETs receiving, on the average over a 2-year contract, \$11, 725 per month, while the rest of the NETs receive on the average \$12950 per month. LEGCO must address this grievance.

NETs who signed contracts in 2005 lost a very small amount of income. They lost \$1200 over the 2-year contract. ($50 \times 24 = 1200$). To add to this iniquity, there were NETs who extended their contracts for an extra year in 2004 and were able to continue to receive an allowance of \$13000 a month. Faced with financial uncertainty, many NETs left the scheme in 2004. It is those NETS who made the decision to stay and renewed their contracts in 2004 that lost the most - \$30600. ($13000 - 10500 = 2500 \times 12 = \$30000 + 600 (50 \times 12) = \$30 600$). Let me give you those figures again. 2004 NETs lost \$30,600 while 2005 NETs will lose only \$1200. This is a huge difference in reduction of income.

In an early meeting with Mr. Chris Wardlaw, he stated that there was no mechanism in place to make any retroactive payment. I would like to state here that the adjustment of the Special Allowance to \$12950 per month, although greatly appreciated, was made retroactive to August/September 2005. Even though the Administration states

otherwise, this move clearly demonstrates their ability to make retroactive payments. Mr. Wardlaw went on to say that it would be difficult, if not impossible, to sell the idea of compensation to the finance committee. He refused to take our request back to the committee, stating there was no justification for compensation and that there was no breach of contractual obligation. However, in a May 2006 meeting, the past chairperson of the Panel of Education, Dr. Yeung Sum, recognized this injustice and verbally expressed to Mr. Wardlaw that even though it was a "good will gesture" on the part of the Administration to grant the increase half way through the 04 contracts, Administration did indeed change the contract, and, by doing so, created a 2-tier allowance. Never in the history of the NET Scheme has there been a 2-tier Special Allowance. It was his feeling that the Administration had a moral obligation to compensate the 2004 NETs for money lost. As he stated, "equal pay for equal service". We remain extremely appreciative of Dr. Yeung Sum's support.

NETs see the Retention Incentive as a positive step towards helping retain NETs in the scheme. However, the Retention Incentive did not level the playing field. It took too long for NETs signing in 2004 to recover their loss of income. Secondary NETs at the top of the pay scale and who had completed multiple contracts are receiving a Retention Incentive of 10%. However, they had to work for 7 months from the time they received their first Retention Incentive payment in order to recover the amount of money lost from the reduction in the Special Allowance and to break even. It took these top paid NETS who were only collecting 5% Retention Incentive twice as long. Because primary NETs are paid on a lower scale than secondary NETs, they were even harder hit. Those NETs new to the scheme in 04 did not qualify for the Retention Incentive for another 2 years. They were the hardest hit by this cut because they had to wait until they began their new contracts in August 2006 to collect the Retention Incentive before they could begin to recover their loss. Many 04 NETs had to work well into the second year of their 06 contracts in order to recover what they lost from the one-year reduction to their incomes. NETs who signed in 2005 will be way ahead financially at the end of their contracts in August 2007. We are simply asking for parity with the 2005 NETs.

In 2004 many NETS left the scheme because of the cut to the Special Allowance. Those NETs who stayed and signed another contract in spite of the loss of money did so because they believed that this grievance would be rectified in their favour. These NETs demonstrated their dedication to the scheme. The fact remains that if these NETs are not compensated, they will be more reluctant to stay in the scheme at the end of 2007. On the contrary, if they are

compensated for their loss, it could be the deciding factor to convince them to stay on for yet another contract.

The Administration accurately states that they did not technically breach the contract by changing it in 2005, but they have certainly breached the trust and faith of the 04 NETs to the detriment of the Hong Kong Government NET Scheme.

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