

立法會
Legislative Council

LC Paper No. CB(2)907/10-11
(The minutes have been seen by
the Administration)

Ref : CB2/PL/ED

Panel on Education

Minutes of meeting
held on Monday, 13 December 2010, at 4:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon Starry LEE Wai-king, JP (Chairman)
Hon Cyd HO Sau-lan (Deputy Chairman)
Hon CHEUNG Man-kwong
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KAM Nai-wai, MH
Dr Hon LAM Tai-fai, BBS, JP
Hon Paul CHAN Mo-po, MH, JP
Dr Hon Priscilla LEUNG Mei-fun
Hon CHEUNG Kwok-che
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Tanya CHAN

Members absent : Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon TAM Yiu-chung, GBS, JP
Dr Hon Samson TAM Wai-ho, JP
Hon WONG Yuk-man

Public Officers attending : Agenda item IV

Education Bureau

Mr Kenneth CHEN, JP
Under Secretary for Education

Ms Mable CHAN
Deputy Secretary for Education (2)

Mrs Y H FOK
Principal Education Officer (Education Commission
and Planning)

Agenda item V

Education Bureau

Mr Kenneth CHEN, JP
Under Secretary for Education

Ms Mable CHAN
Deputy Secretary for Education (2)

Mr Raymond SY
Principal Assistant Secretary (Infrastructure & Research
Support)

The English Schools Foundation

Mrs Heather Du Quesnay
Chief Executive

Ms Vivian CHEUNG
Chief Financial Officer

Mr John Stewart
Director of Facilities

Clerk in attendance : Miss Odelia LEUNG
Chief Council Secretary (2)6

Staff in attendance : Ms Catherina YU
Senior Council Secretary (2)7

Ms Judy TING
Council Secretary (2)6

Miss Jenny LEE
Legislative Assistant (2)6 (Acting)

Action

I. Confirmation of minutes
[LC Paper No. CB(2)389/10-11]

The minutes of the special meeting held on 21 October 2010 were confirmed.

II. Information paper(s) issued since the last meeting
[LC Paper Nos. CB(2)336/10-11(01), CB(2)467/10-11(01), and CB(2)513/10-11(01)]

2. Members noted the following papers issued since the last meeting -
- (a) a letter dated 17 November 2010 from the Secretary for Education to Hong Kong Federation of Education Workers regarding sex crime committed by teachers (LC Paper No. CB(2)336/10-11(01));
 - (b) a letter dated 19 November 2010 from Miss Tanya CHAN concerning the governance and administration of Direct Subsidy Scheme schools (LC Paper No. CB(2)467/10-11(01)); and
 - (c) a letter dated 7 December 2010 from Dr Priscilla LEUNG concerning the governance and administration of Direct Subsidy Scheme schools and the pedagogy for Liberal Studies adopted by a teacher in the Hong Kong Management Association David Li Kwok Po College (LC Paper No. CB(2)513/10-11(01)).
3. Regarding (b) and (c), Dr Priscilla LEUNG enquired whether the Panel would discuss the matter. The Chairman said that as public hearings conducted by the Public Accounts Committee ("PAC") on the governance and administration of Direct Subsidy Scheme ("DSS") schools had yet to be

Action

completed, it was not an opportune time for the Panel to discuss the matter at the present stage. According to her understanding, PAC would release the report on the governance and administration of DSS schools in mid February 2011. She suggested that the Panel discussed the matter after PAC had released the report.

4. Dr Priscilla LEUNG said that the incident in the Hong Kong Management Association David Li Kwok Po College mentioned in her letter might also happen in other DSS schools. Given that PAC mainly examined the accounts of DSS schools, she suggested that issues relating to DSS schools including the pedagogy for Liberal Studies ("LS") and how parents' complaints were handled be discussed by the Panel as early as possible.

5. Mr CHEUNG Man-kwong opined that the Panel should discuss issues relating to DSS schools after PAC had released its reports. As the Panel should not discuss individual cases, members could raise questions relating to the pedagogy for LS and the complaint handling mechanism in individual DSS schools during the discussion.

6. Miss Tanya CHAN shared Mr CHEUNG Man-Kwong's view. She said that as the PAC report might provide relevant information for the Panel's discussion, the Panel should discuss the matter after PAC had released its report.

7. Ms Cyd HO opined that since PAC only examined the accounts of DSS schools, there were a lot of issues that the Panel would need to follow up. In order to allow sufficient time for discussion, she suggested that a special meeting be arranged to discuss the policy issues of DSS schools and representatives from DSS schools be invited to the meeting to give views. Dr Priscilla LEUNG suggested that two meetings be arranged for the discussion of DSS schools and LS.

8. Mr CHEUNG Man-kwong considered that the duration of the Panel meetings for discussion on DSS schools would depend on the number of outstanding issues. If the Administration had responded positively to PAC's recommendations, the Panel might not need to follow up many issues. He suggested that the meeting arrangements be determined after the release of the PAC report.

9. The Chairman suggested that a two-hour meeting be arranged first and depending on the progress of the discussion, another meeting could be arranged if necessary. She said that according to the Chairman of PAC, some Members had expressed concern over the governance and administration of

Action

DSS schools. The Chairman of PAC might consider moving a motion for debate in the Council to enable Members to have an opportunity to express views on the subject.

10. Members agreed that the Panel would discuss issues relating to DSS schools and LS at the earliest opportunity after PAC had released its report.

III. Items for discussion at the next meeting

[Appendices I and II to LC Paper No. CB(2)482/10-11]

11. Members agreed to discuss the following items at the next regular meeting scheduled for 10 January 2011 at 4:30 pm –

- (a) Research and Academic Building, The University of Hong Kong Science and Technology;
- (b) Start-up Loan for Post-secondary Education Providers; and
- (c) Report on the Higher Education Review 2010.

12. Regarding item (a), the Chairman declared that she was a council member of the Hong Kong University of Science and Technology. As such, she considered it not appropriate for her to preside over the discussion of that item. She requested the Deputy Chairman to chair that part of the meeting. The Deputy Chairman agreed.

Special meeting

13. The Chairman reminded members that a special meeting had been scheduled for 17 December 2010 at 5:00 pm or immediately after the Finance Committee ("FC") meeting scheduled for 3:00 p.m., whichever was later, to discuss the review of the Pre-primary Education Voucher Scheme ("PEVS"). Professor Edmond KO, Chairman of the Working Group on Review of PEVS, had been invited to the special meeting. As at 13 December 2010, 30 organizations had indicated that they would attend the special meeting.

14. Having regard to the large number of organizations attending the special meeting, Ms Cyd HO was concerned that a two-hour meeting might not be sufficient for the exchange of views. She enquired about the feasibility of extending the meeting. The Clerk explained that as Professor Edmond KO had other commitments, he could not stay beyond 7:00 pm. Nevertheless, Professor KO would be able to listen to the views of all the deputations and

Action

exchange views with members. The Chairman supplemented that the discussion among members, the Administration and the deputations could continue after Professor KO's departure.

IV. School net arrangements in Islands District under the Secondary School Places Allocation System

[LC Paper Nos. CB(2)482/10-11(01)-(02) and CB(2)380/10-11(01)]

15. Members noted that the background brief entitled "Provision of school places in the Islands District" prepared by the Legislative Council ("LegCo") Secretariat.

Briefing by the Administration

16. Under Secretary for Education ("US(Ed)") briefed members on the present school net arrangements in Islands District under the Secondary School Places Allocation ("SSPA") System and updated members on the principles and criteria for identifying Secondary ("S") 1 places from other districts such as Hong Kong Region to be netted to Islands District in order to provide more school choices to parents, as detailed in the Administration's paper.

Provision of school places and school net arrangements in South Lantau

17. Referring to the submission from South Lantau Education Concern Group ("the Concern Group") which was tabled at the meeting, Mr WONG Kwok-hing said that the Concern Group and the Administration held different views on many issues relevant to the school net arrangements in Islands District. The Concern Group had lodged a complaint with the Complaints Division of the LegCo Secretariat about the Government's long-standing neglect of the urgent local educational needs of residents of South Lantau, and a case conference had been held on 19 November 2010. Members attending the case conference in general shared the concerns of the Concern Group. However, the Concern Group could not present their views direct to the Administration as the case conference was held closed door. Mr WONG suggested that the Concern Group and the residents of South Lantau should be invited to exchange views with the Administration at a Panel meeting.

18. Mr WONG Kwok-hing further said that although the Administration had provided more school choices from other districts such as Hong Kong Region in the netting arrangements for students in Islands District, the transportation problem experienced by Islands District students had not been

Action

resolved. Parents were worried about the safety of their children as they spent considerable time on commuting to and from school; and students were discouraged from participating in extra-curricular activities because of the long travelling time. To solve these problems, Mr WONG suggested that the site of the former New Territories Heung Yee Kuk Southern District Secondary School ("ex-SDSS") should be used for operating a secondary school for local children. Mr WONG pointed out that a mock enrolment had recently been carried out in four primary schools in South Lantau assessing the views of Primary ("P") 4, 5 and 6 students on whether they would study at the secondary school proposed to be operated at the ex-SDSS site. The results had shown that more than 61 students, the acceptable minimum number of students for operating three S 1 classes, at each level indicated that they would enrol in the school.

19. US(Ed) clarified that the Administration had met with the Concern Group in the past, and had discussed the subject of the provision of school places on Islands with other deputations at the Panel meeting on 11 July 2009. The Administration appreciated the inconvenience experienced by Islands District students travelling to school and had been providing different means to mitigate the problem, such as by providing travelling subsidies and netting schools in other districts to the Islands net. US(Ed) stressed that a secondary school should have a minimum number of S1 students in order to sustain its operation. The number of P6 students in South Lantau participating in the SSPA System, around 50 in the past few years, was not sufficient to support the sustainable operation of a secondary school. As the overall S1 student population of Hong Kong had been declining, the student population in South Lantau would also follow this trend.

20. US(Ed) further pointed out that among the schools netted from other districts, half of them had all their school places filled up after allocation. About 70% of the students were allocated to these schools according to their first three choices under the SSPA System, and this proved that these schools were popular among students.

21. Mr LEUNG Yiu-chung echoed the view that the Concern Group and the residents of South Lantau should be invited to give views at a Panel meeting and a secondary school should be operated at the ex-SDSS site for local children. While appreciating the efforts taken by the Administration in providing more school choices from Hong Kong Region in the netting arrangement for Islands District students, he considered that the mere netting arrangement could not effectively resolve the transportation problem of these students. He suggested that officials from the Education Bureau should travel with these students to and from school so as to understand their predicament.

Action

22. Mr LEUNG Yiu-chung further said that while the preferred solution was to operate a secondary school at the ex-SDSS site, the interim relief measure was to change the school net of South Lantau from Islands to Central and Western ("C&W") so that Islands students, such as those living in Peng Chau, could go directly from home to the schools located in C&W District. Currently, there was no direct ferry between Peng Chau and Cheung Chau or Tung Chung, and Peng Chau students had to take indirect route to go to schools there. Should the school net of South Lantau be changed from Islands to C&W, Peng Chau students would only need to take one ferry ride to go to school. This arrangement was not unprecedented. SKH Wei Lun Primary School in Discovery Bay ("DB") had been assigned to C&W school net under SSPA System on the ground that DB was accessible only by ferry services between DB and Central in the 1990s. This netting arrangement had remained unchanged despite that DB was now accessible by land transport. Mr LEUNG considered that students of Peng Chau were treated unfairly. He added that the Administration had previously agreed to carry out a questionnaire survey to gauge the school preference of parents in the Islands District for their children. However, this survey had yet to be carried out.

23. US(Ed) responded that the Administration noted the request of Peng Chau residents for changing their school net to C&W. However, the established mechanism for demarcation of school nets should also be followed. The Working Group ("WG") on Review of School Nets, comprising representatives of major school councils, parent representatives, representatives of Committee on Home-School Co-operation and lay members, had been deliberating on different proposals of merging the school nets, as mentioned in paragraph 16 of the Administration's paper. Since extensive deliberations were required, the review could not be completed overnight. The WG was of the view that before completion of the school net review, the existing demarcation of the 18 school nets should remain unchanged.

24. Deputy Secretary for Education (2) ("DS(Ed)2") said that in the 2009-2010 school year, S1 places from 27 schools in Hong Kong Region had been netted for selection by all P6 students in Islands School Net. In fact, P6 students in C&W School Net had only 10 schools physically located in their home net for selection. As for identifying S1 places from other districts to be netted to a particular school net, DS(Ed)2 explained that the Administration reviewed the netting arrangements annually and would consider the past allocation results which reflected parental choices. DS(Ed)2 added that a questionnaire had been drafted for comments by some schools and parents in the Islands District to collect their initial views. If consensus could be reached

Action

by the schools and parents concerned on the conduct of the survey, the Administration would carry out the questionnaire survey formally.

25. Ms Audrey EU said that the ex-SDSS site had been idling for many years and the Administration was wasting public resources. She was given to understand that the Concern Group had requested recently to use the site for local activities but was informed that the site was too dilapidated for use. She asked whether the Administration had any plans for the use of the site.

26. US(Ed) responded that the Administration had been communicating with Christian Zheng Sheng Association ("CZSA") concerning the relocation of its drug treatment and rehabilitations centres ("DTRCS") in Ha Keng to the site. The relocation could not be effected as CZSA had yet to submit the required information. At the present stage, no other options for use of the site had been contemplated.

27. Ms Audrey EU asked whether there were any deadlines or target dates for relocating the DTRCs of CZSA to the ex-SDSS site or providing a secondary school for students in South Lantau there. She considered that the Administration should not indefinitely ignore the needs of both groups. Mr CHEUNG Man-kwong echoed the view that the Administration should expeditiously decide the site for the DTRCs of CZSA, as it had implications on the re-development of a secondary school at the site. US(Ed) replied that the Administration hoped to address both issues as soon as practicable.

28. Mr LEUNG Yiu-chung asked whether the Administration had made a commitment to allocate the ex-SDSS site to CZSA for reprovisioning its DTRCs and; if not, whether a secondary school would be re-developed at the site for local children.

29. In response, US(Ed) said that the Administration was still in the process of discussing the relocation of the DTRCs of CZSA to the ex-SDSS site. It would need to seek the views of local residents on the relocation. He acknowledged that it had been a long process and CZSA had yet to provide the requisite information on its operating accounts to allay the concerns of the general public. US(Ed) advised that the Administration had not made any commitment to allocate the ex-SDSS site to CZSA.

The educational needs of non-Chinese speaking students in South Lantau

30. Mr LEUNG Yiu-chung said that the Administration should review the many outdated and incorrect figures in its paper, such as the number of non-Chinese speaking ("NCS") students in South Lantau which had not been

Action

reflected in the SSPA System. These students and their families were not as mobile as before and intended to live in Hong Kong for a long period of time. The educational needs of these students should be addressed.

31. US(Ed) pointed out that the figures provided by the Concern Group were different from those contained in the Administration's paper, as the former also included the NCS students of Holy Family School (Peng Chau) and Lantau International School (Tong Fuk and Pui O). Whether or not those students might choose public sector S1 places in South Lantau, if available, was uncertain, noting that some parents in Peng Chau had requested for change of school net to C&W District while the students in Lantau International School might prefer studying at a school which offered non-local curriculum.

32. Mr CHEUNG Man-kwong stressed the importance of clarifying the number of P6 NCS and Chinese-speaking students in South Lantau demanding for S1 places which would critically determine whether a secondary school should be operated in the area, irrespective of whether or not at the site of ex-SDSS. According to the Administration, there were 50 P6 students participating in the SSPA System, and some of them might choose schools outside South Lantau. According to the Concern Group, there were 655 NCS P1 to P6 students in South Lantau, and based on this figure, roughly 100 students would require S1 places annually. As NCS P6 students in South Lantau preferred secondary schools adopting English as the medium of instruction ("MOI"), they did not participate in the SSPA System.

33. US(Ed) clarified that the number of P6 students participating in the SSPA System formed the basis of the Administration's assessment on the demand for public sector S1 places. The Administration was aware of the number of students in the primary schools of South Lantau, including local and international primary schools. He referred members to the mock enrolment conducted by the Concern Group, as mentioned in paragraph 18 above, which revealed that in the 2010-2011 school year, the respective numbers of P5 and P6 students indicating that they intended to enrol in the proposed secondary school were 69 and 78. US(Ed) pointed out that these numbers were not comprehensive as some parents had preference for schools outside South Lantau. In the last few years before the closure of the ex-SDSS, the number of its S1 students had decreased to around 10. Having regard to the vastly different ethnic backgrounds and different needs of the NCS students in Islands District, the sustainable operation of a secondary school in the area was in doubt. Notwithstanding, the Administration had been endeavouring to help them seek admission to their preferred schools. US(Ed) stressed that the need or otherwise to operate a secondary school in South Lantau should be based on the actual number of P6 students participating in the SSPA System.

Action

34. Mr CHEUNG Man-kwong was of the view that the declining number of students in the ex-SDSS did not have any relevance to the current situation in South Lantau as NCS students there were increasing. He reiterated the importance of ascertaining the number of NCS P6 students in South Lantau because it had bearing on the need for the operation of a secondary school. US(Ed) replied that even if some NCS students decided to enrol in the proposed secondary school, their number together with the local students would still be too small for its operation. Mr CHEUNG Man-kwong stressed the need for the Administration to provide the number of NCS P6 students in South Lantau to the Panel.

35. DS(Ed)2 advised that there were 50 NCS P6 students in Islands District participating in SSPA 2010; of these, 23 were from Mui Wo School and Bui O Public School in South Lantau.

36. Mr CHEUNG Man-kwong reiterated his view that students' participation in the SSPA System could not reflect the actual number of NCS P6 students as they in general did not participate in the system and preferred secondary schools using English as the MOI. Should there be a local secondary school using English as the MOI, NCS students might choose to study there. The Chairman shared the view of Mr CHEUNG, and said that the Administration should take into account the number of NCS students.

37. DS(Ed)2 advised that of the 23 P6 students attending the Lantau International School in Tong Fuk in the current school year, the majority of them was NCS students. In the Administration's view, these students would prefer secondary schools that offered non-local curriculum. The Administration monitored the educational needs of the NCS students in Lantau International School on a yearly basis. Should these students wish to attend schools that offered local curriculum, they could participate in the SSPA System and apply for the designated schools for NCS students. There were sufficient places in these designated schools to meet the demands of NCS students. DS(Ed)2 stressed that the need for providing a secondary school for NCS students to pursue non-local curriculum in South Lantau should be considered in the overall planning of provision of school places in Hong Kong.

Formulation of special school policy for Islands District

38. Ms Audrey EU opined that the consideration for the operation of schools in urban and Islands/rural areas should be different and the Administration should formulate different policies to address their different situations. While the requirement of a minimum number of 61 students at each level could be

Action

maintained for schools in urban areas, such a requirement should be relaxed for schools in rural areas/Islands District given the inconvenient transportation conditions. The Administration should discuss with stakeholders to come up with an appropriate minimum number of students at each level for rural and Islands schools.

39. US(Ed) responded that the Administration had discussed with the education sector on issues relating to the appropriate number of students at each level. The Administration was of the view that in addition to the consideration of public resources, the need to provide a broad and balanced curriculum to cater for the diverse learning interests of students and to create opportunities for them to interact with each other should also be considered. US(Ed) reiterated that 61 students at each level was the acceptable minimum and the Administration had no intention of adopting two sets of policies for urban and remote areas in terms of school operation.

40. Mrs Regina IP said that she did not agree that a secondary school would need to have a large number of students in order to provide a broad and balanced curriculum for students. She pointed out that in other jurisdictions, the number of students of some quality private schools ranged from 200 to 400. Students of these schools were able to enjoy the benefit of small class teaching as well as to participate in a variety of activities, including community services and other learning experiences. She enquired whether the main concern of the Administration was resources, and whether it was concerned that the operation of a school with a small student population in South Lantau would set a precedent and this might be difficult to justify given the closure of rural schools some years ago.

41. US(Ed) said that the policy on the minimum number of students of a secondary school and the range of subjects to be provided had been formulated in the context of school system in the public sector. As the backgrounds of students were diverse, a broad curriculum should be provided to cater for their different learning needs and interests. While the Administration had all along considered that 24 classes, i.e. four classes for each level, were the most appropriate structure, it also recognized that flexibility should be allowed. As such, it allowed under certain conditions schools to operate 18 classes with 20 students for each class and three classes for each level, i.e. 61 students being the acceptable minimum at each level. The Administration did not see any reasons to change the policy under the New Academic Structure, and the question of operation of a secondary school with a small student population in certain districts should not arise.

Action

42. Mrs Regina IP was of the view that the policy of providing a wide range of subjects for students did not reflect the reality. With the provision of the subject of Liberal Studies and although students were encouraged to take both arts and science subjects, the actual situation was that students chose a limited range of elective subjects to study. US(Ed) did not agree that students only selected a limited range of elective subjects. He said that in addition to the four core subjects, many students took the combination of science, commerce and arts subjects. The aim of the Administration was to provide a broad and balanced curriculum to cater for the different interests of students under the New Academic Structure.

43. Mr Tommy CHEUNG opined that there was no dispute on the need for a certain number of student population for sustainable operation of a school. Against this macro policy, the Administration should balance the need for prudent use of public resources on the one hand and the requests of Islands District students for local schools on the other. He considered that the Administration should formulate policy unique to Islands District and allocate resources to facilitate their students going to school in the vicinity, so as to save their long commuting time. In his view, school quality was the primary consideration. Should the proposed secondary school be operated by renowned school sponsoring bodies, many students outside the Islands District would be attracted to study there.

44. US(Ed) said that different considerations should apply for the operation of primary and secondary schools. The Administration had all along allowed flexibility in operating primary schools with a smaller student population in Islands and remote areas. In secondary schools, a minimum number of students should be maintained in order to provide a variety of subjects to students so as to broaden their vision and achieve whole-person development.

45. Mr Tommy CHEUNG reiterated his view that special policy should be formulated to meet the educational needs of Islands District students. He called on the Administration to think out of the box and provide flexibility for school operators to operate schools in Islands or remote areas. In response, US(Ed) said that the Administration had noted the views of members and stakeholders on the matter. The Administration was of the view that while primary schools could be given greater flexibility in terms of student number, it was necessary to maintain a minimum number of students in secondary schools in order to provide a variety of subjects.

46. Mr LEUNG Yiu-chung said that junior secondary students were still young and found the long commuting time demanding. The Administration

Action

should re-consider the call of members for the formulation of special policy to allow the operation of a secondary school in South Lantau.

47. Mr CHEUNG Man-kwong reiterated that the Administration should expeditiously address the educational needs of students of South Lantau. Having regard to the vastness of the area, the scattering of many small islands in the area and the long commuting time taken by students, he shared the view that the Administration should formulate special policy and allow the operation of a secondary school with a smaller student number in South Lantau. The general public would appreciate the need for operating such a school. Nevertheless, the proposed school should have at least two classes at each level and be given adequate teacher manpower to sustain its operation. Mr CHEUNG requested the Administration to provide information on the existing numbers of local students and NCS students and the projected numbers of such students in the next five years to facilitate members' deliberations on the need for a secondary school in South Lantau. The number of school-age children who had not been enrolled in schools should also be given.

48. The Chairman shared the view of Mr CHEUNG Man-kwong and said that the number of NCS students was particularly important. She said that a small number of deputations had attended the Panel meeting on 11 July 2009 to give views on the subject of the provision of school places on Islands. She would liaise with the Clerk to invite deputations to give views on the matter again. Notice would also be posted on the website of LegCo to invite views. Members agreed.

V. Redevelopment project of Kowloon Junior School of the English Schools Foundation

[LC Paper Nos. CB(2)482/10-11(03) and (04)]

49. Members noted the background brief entitled "The English Schools Foundation" prepared by the LegCo Secretariat.

Briefing by the Administration and the English Schools Foundation

50. Under Secretary for Education ("US(Ed)") briefed members on the proposed capital works project and the timeline for implementation of the redevelopment of Kowloon Junior School ("the School") of the English Schools Foundation ("ESF") as detailed in the Administration's paper.

Action

51. Mrs Heather Du Quesnay, Chief Executive of ESF supplemented that the School was accommodated in two premises and both the parents and the students of the School found the present arrangement inconvenient. It was also very inefficient for the School staff to travel between the two school premises. ESF was very anxious to redevelop the School and would contribute fund to the project through using some of its cash balances and the parents were also making contributions through the Refundable Capital Levy Scheme. Given the substantial amount of fund required for the project, Government subvention was needed. She appealed to members to support the project.

Capital grant for redevelopment

52. Mr Tommy CHEUNG declared that his three children were students of the School in the 1980s. He said that he was once a member of the School Council of ESF in his capacity as a LegCo Member for eight years and understood the management of ESF as well as members' concern about the project. As the School was already 53 years old, he was of the view that it would be more cost effective to redevelop than to maintain it. As far as parents were concerned, it was not desirable for their children to study in separate premises as their children would not be able to take care of their younger siblings. He said that members of the Liberal Party supported the funding proposal as the students would be benefitted from the new school premises and the Administration could get back the site at Rose Street which was at a prime location.

53. Ms Audrey EU enquired whether the Administration had made any arrangements with ESF concerning its entitlement to a capital grant which equalled to 100% of the cost for constructing a standard-design public sector school and, if so, whether it was an administrative arrangement or a legal obligation. Noting that ESF had nine primary schools, five secondary schools and one special school, she was concerned whether the same arrangement would apply to the redevelopment of other ESF schools and other local schools. Ms EU also asked about the usage of the to-be-vacated premises cum the site at Rose Street.

54. Deputy Secretary for Education (2) ("DS(Ed)2") responded that according to the prevailing policy, ESF was entitled to a capital grant which equalled to 100% of the cost for constructing a standard-design public sector primary school of the same population. Notwithstanding the prevailing policy, the capital grant was subject to the approval of the Finance Committee ("FC"). The Administration had provided capital grants to ESF schools according to the prevailing policy in the past. Since the School had lesser students than that of a standard public sector school, the amount of the grant had been adjusted

Action

downward. The to-be-vacated premises cum the site at Rose Street were leased to ESF by the Administration and ESF was required to return them to the Government for disposal. DS(Ed)2 added that as there was demand for public sector primary school places in Sham Shui Po district in the coming few years, the Education Bureau would explore to earmark the premises for local primary school use. Nevertheless, whether the site could be used for such a purpose would depend on the land use policy of the Lands Department.

55. DS(Ed)2 added that the prevailing policy on capital grant to ESF schools also applied to private independent schools, aided schools and DSS schools. In case ESF requested a capital grant for the redevelopment of its other schools, the Administration would examine each proposal on an individual basis and ensure that the redevelopment project was for the benefit of the students. DS(Ed)2 further said that a capital grant would not be granted for non-standard facilities. Ms Audrey EU requested the Administration to provide written information about the usage of the to-be-vacated premises cum the site at Rose Street.

Admin

Subvention for ESF

56. Mr CHEUNG Man-kwong commented that issues relating to ESF were a historical legacy from the British colonial era. To deal with the problem, it was necessary to determine the role and the positioning of ESF first. The subvention for capital expenditure and recurrent expenditure of ESF should also be examined. He said that international schools were not eligible for any Government subvention but loans only and the prevailing policy on capital grant did not apply to them. The Administration should review the positioning of ESF and decide whether it should be classified as an international school or a DSS school.

57. Mr CHEUNG Man-kwong noted from the Administration's paper and the Public Accounts Committee ("PAC") Report No. 43 that the Administration would review the subvention arrangements for ESF and the review was not on whether recurrent Government subsidies to the ESF should be withdrawn but rather how the withdrawal should be phased. Mr CHEUNG pointed out that there were both local and non-local students studying in ESF schools. While local students should be eligible for local education subsidies, it was not the case for non-local students. The Administration should look into the matter and come up with a solution.

58. Following up on Ms Audrey EU's enquiry, Mr CHEUNG Man-kwong said that if all the ESF schools were eligible for the same subvention arrangements for redevelopment, the capital grant involved could be enormous

Action

and this was an important consideration for members. It was therefore necessary for the Administration to determine the positioning of ESF as soon as possible. Given that ESF would return the to-be-vacated premises cum the site at Rose Street to the Government, he would support the funding proposal. He called on the Administration to commence expeditiously its review on the subvention arrangements for ESF.

59. In response, US(Ed) said that ESF had enhanced its governance in response to the release of the PAC Report No. 43. ESF had introduced a series of reform measures since 2008 which included, among others, the establishment of a new Board of Governors ("the Board") and the setting up of advisory committees. The Administration considered it an appropriate time now to start the review on the subvention arrangements for ESF. The review would cover ESF's role and positioning, service targets, financial management, etc. US(Ed) added that to maintain Hong Kong's position as an international finance centre, it was necessary to provide English-medium school places for the children of expatriates in Hong Kong. This factor would also be considered in the review. In response to the Chairman's enquiry on the time required for the review, US(Ed) said that the Administration would try to complete it as soon as practicable.

60. Ms Cyd HO supported the redevelopment project in principle on the grounds that the Government could resume the site at Rose Street and it would save the students the trouble of travelling between the two campuses. Nevertheless, she was concerned that a lot of historical problems about ESF remained unresolved. Ms HO said that ESF schools were originally intended for children of expatriate civil servants but their service targets had been changed. The positioning of ESF schools was unclear. If ESF's role was to provide affordable education for children of expatriate civil servants, the increase of its tuition fee should be comparable to that of the civil service pay. She was gravely concerned that the tuition fee of ESF schools was becoming unaffordable to expatriate civil servants, not to mention the ethnic minorities. Given the limited school choices for the expatriate families, the Administration had to address the need of their children for education. If the Administration intended to provide subvention for ESF schools as for DSS schools, the arrangements must be transparent.

61. Ms Cyd HO further said that she had received complaints from two parents groups about the financial arrangements of ESF and ESF Educational Services Limited ("ESL"). These parents alleged that ESF had transferred some of its fund which was meant for maintenance and capital works projects to ESL. As a result, ESF might have to increase the tuition fee or raise fund in order to carry out maintenance and capital works projects. A holistic review

Action

on ESF was therefore necessary. Ms HO commented that the Administration always gave certain undertakings for the purpose of securing members' support for financial proposals but those undertakings were often not honoured afterwards. She called on the Administration to provide a clear timeline for the review.

62. US(Ed) responded that the Administration had always encouraged ESF to consult the parents on any proposal for tuition fee increase. He assured members that the review would take into account the educational needs of the non-Chinese speaking children who required financial assistance and the tuition fee adjustment mechanism of ESF schools.

63. Mrs Heather Du Quesnay clarified that ESF and ESL were separate companies as far as their accounts were concerned. De facto control over ESL was held by ESF and the Board had just reviewed this arrangement with great care. There were no cross subsidies from ESF to ESL. ESF had used its cash balances to fund the capital expenditures for the private independent schools operated by ESL 10 years ago. The purpose was to increase the number of places in these schools to accommodate the educational need of non-Chinese speaking children and children who found the local education system not suitable for them. The project was regarded as a service to the community and was carried out in partnership with the Government. ESL had entered into a 20-year repayment scheme with ESF. ESF would monitor the scheme carefully and ensure that ESL would make the payment within the specified period.

64. As regards the tuition fee, Mrs Heather Du Quesnay said that ESF had increased its tuition fee only once between 1998-1999 and 2005-2006 at a very small rate. ESF had fallen behind in a number of vital activities including building maintenance, enhancement of information technology systems, significant curriculum development such as the introduction of the International Baccalaureate Primary Years Programme in primary schools and the improvement to the curriculum of Chinese Language subject. An increase in tuition fee was therefore necessary and ESF would try to keep the tuition fee at a reasonable level. Mrs Du Quesnay added that ESF had held two public meetings recently to explain its finances and accounts to parents and the relevant information was published on its website. ESF would endeavour to maintain a high level of transparency.

65. Mr Paul CHAN declared that his daughter was studying in an international school. He said that since the students would be benefitted from the redevelopment of the School, he would support the funding proposal. Given that there were local students studying in ESF schools, he considered it

Action

in order for the provision of subsidies to these students. Nevertheless, he considered a review of the subvention arrangements for ESF necessary. Instead of singling out ESF schools for review, the Administration should also review international schools, DSS schools, private independent schools and aided schools so as to provide members with a full picture. In his view, the Administration should complete the review before the funding proposal was submitted to FC.

66. Mr Paul CHAN further said that the loan from ESF to ESL was about the same amount of the Government capital grant for the project and it was reported recently in the media that the two private independent schools of ESL were unable to repay the loan to ESF on time. He enquired whether the Administration would examine the financial position of ESF when it applied for the capital grant. If ESF was found to be financially capable of footing the capital works expenditure, whether the Administration would still provide the capital grant because of the prevailing policy. He was also concerned whether the Administration or ESF would shoulder the cost in excess of the estimated budget.

67. US(Ed) responded that in order for the School to operate in the new premises in the 2013-2014 school year and subject to the Panel's support, the Administration intended to submit the funding proposal to the Public Works Subcommittee ("PWSC") in January 2011 and to FC in February 2011. The review on the subvention arrangements for ESF was complicated and it was unlikely to complete the review before the submission of the funding proposal to FC. The Administration hoped to reach consensus with ESF on key principles and issues of the review before the end of the current legislative session.

68. DS(Ed)2 supplemented that the Administration planned to commence formal discussion with the ESF soon. The review would cover a number of areas including ESF's role and positioning, service targets, financial management, governance and fee-related arrangements of ESF. The Administration aimed to report the progress to the Panel by the end of the current legislative session.

69. DS(Ed)2 further said that there would be a contingency reserve for the project in question as for other projects. ESF would bear the cost in excess of the approved amount for non-standard facilities. The Administration had examined the financial position of ESF. It had also studied whether ESF had a prudent capital development plan for its schools. Apart from this redevelopment project, ESF was planning a redevelopment project for King George V School which would mainly involve non-standard facilities and no

Action

capital grant would be provided by the Government. Having regard to the pressing need for the redevelopment of the School which involved mainly standard facilities, the Administration considered the redevelopment project justifiable.

70. In response to the Chairman's question on whether the capital grant subvention for the project was capped at \$169.3 million at September 2009 prices, DS(Ed)2 said that according to the Administration's assessment, the cost of the project should be within the estimated amount. The ESF would bear the cost in case additional funding was required.

71. Mr Paul CHAN said that the Administration and ESF might not reach a consensus on all aspects. He suggested that the Administration should set out the areas where there were divergent views for members' discussion.

72. Mr CHEUNG Man-kwong appreciated that the historical problems of ESF could not be resolved overnight and radical changes would create chaos to the students. He therefore agreed on the need for the provision of transitional arrangements to allow ESF a reasonable time to adapt to the changes. Nevertheless, he considered it necessary to come up with an ultimate solution for ESF for the well-being of the students. He opined that if ESF was positioned as an international school, the subvention arrangements for ESF should be on a par with those for other international schools. If ESF was classified as a DSS school, it should be subject to the regulation in the same manner as other DSS schools. ESF could not maintain its unique position indefinitely as the subvention arrangements for it should be accountable to the public. There was a need for the Administration and ESF to rectify the existing anomaly and find out an arrangement which would be acceptable to them and to the public as well. Mr CHEUNG further said that students' benefit was members' primary concern in the consideration of the funding proposal. He was given to understand that the funding proposal might be the last one of its kind for ESF. Under these circumstances, he would support the funding proposal. However, it was necessary for the Administration to provide members with a substantive proposal on the way forward for ESF by the end of the current legislative session.

73. In response to the Chairman's question, US(Ed) said that as the review on ESF had yet to be finalized, it would be premature to say that the proposed capital grant for the redevelopment project of the School would be the last one for ESF.

74. Ms Cyd HO said that ESF's substantial loan to ESL had raised concern on whether its request for Government subvention for the redevelopment of the

Action

School was due to the improper financial arrangements between ESF and ESL. She requested the Administration to provide before the PWSC meeting information on the following -

Admin

- (a) the annual increase in the tuition fee of each ESF school in the past 10 years and the criteria for approving fee increases;
- (b) the amount and repayment period of the loan from ESF to ESL; and when such loan was granted;
- (c) whether ESF had consulted the parents of its students on the grant of such loan to ESL and whether the majority of the parents had agreed to it;
- (d) the amount and percentage of tuition fees deposited to the reserve fund of ESF for undertaking new school projects and maintenance projects and the target period for accumulation of the reserve fund for achieving the purpose; and
- (e) whether ESF had consulted the parents of its students on (d) above and whether it had taken into account parents' affordability.

75. DS(Ed)2 explained that according to the Education Ordinance (Cap. 279), adjustments to tuition fees were subject to the approval of the Education Bureau. The Administration had examined the merits of ESF's justifications in considering ESF's applications for increase in tuition fee. The Administration would examine whether the additional income brought about by the revised tuition fee would be used for implementing new learning and teaching measures to the benefit of the students and how these measures would be communicated to the parents through the Board and the parent-teacher associations. DS(Ed)2 added that in scrutinizing the application of tuition fee increase from ESF, the Administration had stressed the importance of consultation and communication between ESF and the parents.

Admin

76. Apart from the above information, the Chairman requested the Administration to provide members with a preliminary workplan and timetable for review on issues relating to ESF and the usage of and arrangements for the to-be-vacated premises cum the site at Rose Street before the PWSC meeting. Concluding the discussions, the Chairman said that the Panel supported the submission of the funding proposal to PWSC for consideration.

Action

VI. Any other business

77. There being no other business, the meeting ended at 6:20 pm.

Council Business Division 2
Legislative Council Secretariat
25 January 2011