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Report of the Panel on Education for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Education for the 2015-2016 session. It will be tabled at the meeting of the Legislative Council on 13 July 2016 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining government policies and issues of public concern relating to education matters. The terms of reference of the Panel are in **Appendix I**.

3. The Panel comprises 32 members, with Dr Hon LAM Tai-fai and Hon IP Kin-yuen elected as its Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix II**.

Major work

Free kindergarten education

4. At the meeting held on 14 April 2014, the Panel decided to set up a subcommittee to study the implementation of free kindergarten education ("the Subcommittee"). From October 2014 to late January 2016, the Subcommittee held a total of 13 meetings, including two prolonged meetings to receive views from the kindergarten sector, teachers, parents and other stakeholders. It had also discussed with the Committee on Free Kindergarten Education, set up by the Education Bureau ("EDB") in April 2013, the findings and recommendations of the Committee's report published in May 2015.

5. Upon completion of its study, the Subcommittee submitted a report to the Panel putting forward over 50 recommendations. The Panel subsequently obtained the approval of the House Committee for the priority allocation of a slot to the Chairman of the Subcommittee for moving a motion for debate on the Subcommittee's report at the Council meeting of 4 May 2016. The said motion debate had not been held owing to the heavy agenda of Council meetings.

6. As announced in the 2016 Policy Address, free quality kindergarten education would be implemented starting from the 2017-2018 school year. On the staffing proposal to create new directorate posts in EDB for administering the future kindergarten education policy, Panel members expressed reservation.

7. The Panel noted that kindergartens would be encouraged to establish a career ladder for teachers and required to pay teaching staff salaries within the recommended salary range. At the meeting held on 2 July 2016, many members shared deputations' view that a mandatory salary scale similar to the current practice in aided schools should be put in place in order to provide a clear remuneration framework for serving and prospective kindergarten teachers. Concern was also raised about the recognition of past service when teachers changed employment from one kindergarten to another.

8. According to EDB, the salary practices under the funding mode for aided schools could not be applied to kindergartens in isolation as the former was subject to a basket of control measures, such as approval of operating classes and centralized allocation of school places. To encourage kindergartens to optimize the use of the subsidy on teaching staff salary, EDB would claw back excessive surplus in the salary portion. Individual kindergartens had the discretion to pay experienced teachers higher salaries. The Administration took note of members' concern that the disbursement of tide-over grant for the first two years might not suffice for some kindergartens to meet the salary-related expenditure for long-serving teachers.

9. The Panel noted that EDB would promulgate the arrangements for implementing free quality kindergarten education in the 2017-2018 school year in July 2016. The Administration was urged to maintain dialogue and work closely with the kindergarten sector with a view to improving future arrangements and addressing stakeholders' concerns.

Staff establishment and salary structure in primary schools

10. The existing policy on the staff establishment and salary structure in primary schools received serious attention by the Panel. Some members expressed disappointment that EDB could not provide a clear timetable on

raising the ratio of graduate teacher posts in primary schools from 65% in the 2017-2018 school year to 100% in the longer run. There was serious concern that while some 90% of primary school teachers already possessed degree qualifications, many of them could only be employed on the terms and conditions of Certified Master/Mistress due to insufficient graduate teacher posts on the staff establishment.

11. The Panel noted that many primary schools had engaged teachers or teaching assistants on time-limited contracts using various cash grants provided by EDB. Notwithstanding EDB's explanation that the provision of cash grants could allow individual schools greater flexibility in deploying resources to implement school-based initiatives, some members were concerned that employing teachers on short-term contracts, instead of on regular establishment, resulted in a lack of job security and service continuity, which would ultimately affect the quality of education.

12. The Panel shared the concern of the primary school sector that while the requisite qualification and level of responsibilities for primary school teachers and principals were comparable to those of secondary school teachers and principals, the salary scales of the former compared much less favourably than those of the latter. To illustrate the existing arrangement, some deputations had given the example that the salary scale of a primary school head at the rank of Head Master II was the same as that of a secondary school teacher at the rank of Senior Graduate Master/Mistress.

13. According to the Administration, due to the differences between primary and secondary schools in terms of their curricula, operation, needs of students and examination systems, it was not appropriate to make a direct comparison of the work nature, duties and pay levels between primary and secondary school principals and teachers. The pay levels of the grades and ranks of primary and secondary school teachers had been determined with due regard to a number of objective factors, including entry requirements, academic qualifications, pay levels of comparable civil service grades/ranks and recruitment situation etc. The EDB indicated that it had no plan to review the pay levels of primary school principals and teachers at this stage.

14. Members did not subscribe to the Administration's stance not to conduct a review. At the meeting on 11 April 2016, the Panel passed a motion unanimously requesting EDB to expeditiously review the staff establishment and salary structure in primary schools, report the outcome of the review to the Panel and make recommendations for improvement.

15. In its written response, EDB reiterated its commitment to enhancing the quality of education. However, as staff establishment and salary structure of primary schools were complex matters involving a wide scope of issues,

EDB would require time to deliberate the subject. On behalf of the Panel, the Chairman wrote to the Administration expressing disappointment with its response, which did not give any positive undertaking to carry out a review. The Secretary for Education acknowledged the concerns of members and the school sector for serious consideration, and reiterated that as the subject was complex, the Administration would map out the way forward and update the Panel on further progress at an appropriate time. The Panel would continue to follow up the matter.

Schools operating in matchbox-style sub-standard premises

16. The Panel considered it important to provide a proper learning and teaching environment. It noted with grave concern that there were still 28 public sector primary schools operating in matchbox-style sub-standard premises constructed decades ago. To obtain first-hand understanding on the difficulties faced by these schools, the Panel, accompanied by the Under Secretary for Education, paid a visit to three primary schools accommodated in matchbox-style school premises in April 2016.

17. Members observed that the dilapidated conditions at these schools might pose safety and hygiene hazards. Some common problems included poor ventilation, noise interference, rain seeping in through ventilation walls, hollow brick wall and sharing the basketball court with other users in the public housing estate. The lack of space and proper facilities adversely affected teaching and learning, to the detriment of students' development and the quality of education. In this connection, the Panel had been briefed on initiatives to enhance the facilities of schools built according to past standards, such as the School Improvement Programme, the redevelopment and reprovisioning programmes and minor improvement projects. The Administration assured members that it would not compromise on hygiene and safety.

18. Some members were of the view that instead of carrying out repair works in a piecemeal manner, the Administration should formulate a clear policy and a timetable to upgrade sub-standard school environment. Noting that the site areas of matchbox-style primary schools were relatively small for in-situ redevelopment, many members considered that reprovisioning might be the most effective option for some of these schools. They supported the priority allocation of sites/premises to those schools currently operating in sub-standard premises in School Allocation Exercises ("SAE"). According to the Administration, applications under SAE were assessed with regard to all relevant factors, which included the quality of education, the physical conditions of the schools' existing premises, schools' vision and mission etc.

19. To follow up the school visit and provide a forum for the Administration and the school sector to explore short-, mid- and long-term measures, the Chairman convened two closed meetings in mid-May and July 2016, at which good progress was made. The Administration undertook to visit more matchbox-style primary schools and would engage a consultant to examine feasible ways to tackle common problems arising from the design of these school premises. Meanwhile, the Subsidized Primary School Council would coordinate information on the problems faced by individual schools for follow-up by the Administration. Pending reprovisioning and longer-term solutions, the Administration was urged to explore the feasibility of setting up dedicated funds for application by matchbox-style primary schools to carry out necessary repair and improvement works.

Territory-wide System Assessment ("TSA")

20. Introduced in 2004, TSA was an assessment of students' basic competencies ("BC") in Chinese Language, English Language and Mathematics upon completion of the three key learning stages (i.e. Primary ("P")3, P6 and Secondary 3). The Panel held several meetings to consider relevant issues, including a prolonged meeting to receive views from over 80 stakeholders including parents, teachers, students and the school sector over the implementation of TSA.

21. The Panel shared the concern of many deputations that TSA had deviated from its intended purpose and become a "high-stake" assessment. Its implementation had led to excessive drilling by schools while teaching and assessment had become TSA-oriented. There were criticisms that the TSA assessment items had become increasingly difficult and tricky. The Panel urged the Administration to take effective measures to curb over-drilling so as to remove pressure on students and teachers. Given that students' competencies could be gauged by internal assessments and public examinations, some members queried the need for TSA. Besides, the reliability of the TSA results was questionable if students' performance was the result of intensive drilling.

22. As explained by EDB, BCs were part of the curriculum incorporated in daily learning activities and internal assessments. Schools should not over-drill students or change their teaching and assessment methods because of TSA. The EDB also referred to the circulars and guidelines on homework and tests issued to schools in October 2015 and its letter advising against drilling issued in December 2015. If students were not required to undergo TSA at the end of the three key learning stages, their weakness in performance, if any, would not be known before results of the Hong Kong Diploma of Secondary Education ("HKDSE") Examination were available.

23. The Panel discussed with deputations and the Administration the continuation, abolition or temporary suspension of TSA. Some members supported the continuation of TSA with improvements to its implementation, while some called for its abolition. Given the imminence of the P3 TSA scheduled for May 2016 and to allow time to address various concerns, the Panel passed a motion at its meeting on 11 January 2016 urging the Administration to, amongst others, suspend the P3 TSA. In its response, the Administration assured members that the Coordinating Committee on Basic Competency Assessment and Assessment Literacy ("the Coordinating Committee") would consider views on various implementation proposals and recommend the way forward.

24. In its report submitted to EDB in February 2016, the Coordinating Committee recommended certain modifications to the TSA assessment papers and question design so as to alleviate the learning burden on students and align with the spirit of the curriculum. The reports distributed to schools after the conduct of TSA could also adopt different formats to facilitate the enhancement of school-based curriculum and teaching practice. The Administration accepted the recommendations and decided to launch a Tryout Study at Primary 3 level ("2016 Tryout Study") in May 2016.

25. At the meeting held on 22 March 2016, some members were concerned that EDB had already concluded that TSA would be fully resumed in 2017 before the outcome of the 2016 Tryout Study was known. According to the Administration, it would take into account whether the revamped paper and question design, as well as the revised reporting arrangements adopted in the 2016 Tryout Study could help eliminate the incentives for over-drilling and bring learning and teaching back on track. The assessment arrangement in 2017 would then be appropriately enhanced.

26. Regarding the view that TSA should be conducted on a sampling basis and anonymity should be maintained for candidates and schools, the Coordinating Committee considered that administering TSA on a sampling basis could not eliminate over-drilling. It was also noted that some schools had found the school level reports very useful in analyzing students' performance for the purpose of enhancing teaching strategies. According to EDB, as the 50 and more primary schools had joined the 2016 Tryout Study on a voluntary basis or by invitation, there was no incentive for them to over-drill and impose pressure on their students.

27. On concerns that TSA might be used by the Government as one of the measures to evaluate schools' performance when considering the allocation of resources, EDB confirmed that it would issue internal guidelines to explicitly reiterate that TSA data would not be used to assess the performance of a school in the External School Review. Starting from the 2016-2017 school

year, TSA would be removed from the focus questions under "8.1 Academic Performance" of the "Performance Indicators".

Fourth Strategy on Information Technology in Education ("ITE4")

28. The Panel received an update on the implementation of various actions under ITE4, which was formally launched in the 2015-2016 school year. On the progress of enhancing the WiFi infrastructure in about 900 public sector schools, members noted that 411, 290 and 136 schools had indicated their plans to complete the enhancement of their WiFi infrastructure in the 2015-2016, 2016-2017 and 2017-2018 school years respectively. The EDB would maintain close liaison with the remaining schools to facilitate early finalization of enhancement plans.

29. Regarding members' concern about the development and use of e-textbooks, the Administration advised that 26 sets of e-textbooks on various subjects had been included on the Recommended e-Textbook List for use by schools in the 2015-2016 school year. A further eight sets were expected to be available in the 2016-2017 school year. The Administration had not specified a timetable or target and schools were free to adopt e-textbooks and implement e-learning at their own pace having regard to their readiness and circumstances.

30. The Panel was concerned about the manpower support for schools and the capacity of teachers in taking forward ITE4-related initiatives. According to EDB, schools might find it more useful to subscribe for WiFi services. The Administration had also provided a wide range of professional development programmes and designated ITE resource schools to build up teachers' capacity and facilitate experience-sharing.

Promotion of Science, Technology, Engineering and Mathematics ("STEM") education

31. The Panel was briefed on the consultation exercise on the promotion of STEM education launched by the Curriculum Development Council ("CDC") and the initial feedbacks from stakeholders.

32. Members were concerned about measures taken by the Administration to enhance primary and secondary students' interest in STEM. According to EDB, it would encourage students to gain hands-on experience in applying their knowledge and skills by participating in STEM-related activities. Through life planning education, students would better understand different STEM-related areas and ascertain their interest in STEM. Engineering-related courses were offered under the Applied Learning subjects at senior secondary level. CDC had proposed to adopt a holistic approach through six

strategies to strengthen students' ability to integrate and apply knowledge and skills of different disciplines in school education so as to unleash their potential in innovation.

33. Some members drew the Administration's attention to the general bias in favour of finance and business-related education/training with very little attention being paid to STEM-related knowledge and learning of practical skills. In their view, the effectiveness of STEM education would hinge on the community's perception of the value of STEM. The Administration should therefore step up efforts to promote public understanding of STEM with a view to enhancing its acceptance and recognition among different sectors of the community.

Using Putonghua as the medium of instruction for teaching the Chinese Language subject ("PMIC")

34. The Panel was briefed on the findings of the longitudinal study on the implementation of PMIC under the "Scheme to Support Schools in Using Putonghua to Teach the Chinese Language Subject" and the latest situation of implementing PMIC in schools. Members noted that according to the findings of the longitudinal study, PMIC had no negative impact on the studying of the Chinese Language subject. However, no conclusion was made on whether PMIC was more effective in teaching the Chinese Language subject.

35. Some members supported the long-term target of PMIC but expressed concern about the support available to schools and whether teachers were well-equipped in implementing PMIC. The Administration advised that it would liaise with teacher education institutions to explore feasible options to enhance teachers' pedagogical knowledge and skills for PMIC.

36. While there was general agreement among members to promote students' biliteracy and trilingualism, some members opposed PMIC and queried why it should remain a long-term vision as the findings of the longitudinal study had not indicated that PMIC was more effective in teaching the Chinese Language subject. They were concerned that the implementation of PMIC was based on political consideration instead of pedagogical evidence. The Administration confirmed that PMIC was an educational initiative and was not based on political consideration. The percentages of primary and secondary schools implementing PMIC had increased steadily in recent years. All along, schools could consider whether and how to implement PMIC having regard to their own circumstances such as readiness of teachers, ability of students and curriculum planning.

37. At the meeting held on 2 July 2016, the Panel passed a motion by a vote of 10 to five urging the Administration to abolish setting PMIC as the long-term vision. The Panel would keep in view the Administration's response to the motion.

Student suicide

38. The Panel was gravely concerned about the spate of student suicide cases which occurred after commencement of the 2015-2016 school year. At the special meeting held on 21 March 2016, members deliberated on the five measures put forward by the Administration to tackle and prevent student suicides. They cautioned that examinations, over-drilling for TSA, excessive homework, keen competition for subsidized undergraduate places etc. had caused formidable pressure on students, and urged for a critical review of the existing education system.

39. As explained by the Administration, it had all along monitored the development of the education system and taken appropriate measures to address various concerns. Under the New Academic Structure, secondary students would be required to sit for only one public examination i.e. the HKDSE Examination. In late October 2015, EDB issued guidelines to schools advising them to formulate an appropriate and transparent school-based homework policy. A number of initiatives including the Study Subsidy Scheme for Designated Professions/Sectors and the progressive increase in University Grants Committee ("UGC")-funded senior year intake places had increased the opportunities for subsidized higher education.

40. On the provision of cross-sector services and professional support, some members considered it necessary to improve the existing ratio of one educational psychologist to serve six to 10 schools. As mental illness was not one of the specified special educational needs ("SENs") for which schools could receive additional resources from EDB under the integrated education ("IE") policy, the Administration was urged to provide additional resources for schools to support students with mental health needs.

41. The Administration confirmed that it would enhance the ratio of educational psychologist to school to 1:4 progressively for public sector schools with a large number of SEN students starting from the 2016-2017 school year. Schools were encouraged to adopt the Three-Tier Support Model under the IE policy to provide appropriate support for students with mental illness. The Administration undertook to convey members' views and concerns to the Committee on Prevention of Student Suicides set up by EDB. The Panel noted that the Committee would submit an interim report to EDB in July 2016, and would follow up the matter in due course.

42. The Panel also deliberated on the one-off Home-School Co-operation ("HSC") Grant to be disbursed to all public sector primary and secondary schools and schools under the Direct Subsidy Scheme at the amount of \$5,000 per school. According to EDB, it was expected that individual schools would use the special HSC Grant to subsidize Parent-Teacher Associations in organizing talks or activities to facilitate parents to support the healthy mental development of children. It was not the intention of the Administration to require teachers to take up the work of organizing activities funded by the Grant.

43. At the meeting on 22 March 2016, members passed two motions urging the Government to, amongst others, introduce "School Retreat Day" in schools and address concerns about the pressure of heavy homework on primary students. In its written responses, EDB outlined various measures to relieve pressure on students, and reiterated that it had encouraged schools to formulate appropriate homework and assessment policies and keep them under regular review. The EDB would also explore with stakeholders how to finetune the homework and assessment policies to better cater for the needs of students. Regarding the initiative of "School Retreat Day", EDB encouraged schools to hold professional discussions and sharing sessions on such kind of student learning mode according to their school-based circumstances. As informed by EDB, the school sector had responded positively to the concept of "School Retreat Day" and similar activities were now organized by some schools.

Vocational education and training ("VET")

44. The Panel acknowledged the pivotal role of VET in the education system to provide flexible and multiple pathways for school leavers and in-service personnel. Some members urged EDB to take steps to encourage greater participation by the business sector in providing placement and practical training opportunities for students. There was also a suggestion to expand the scope of the Pilot Training and Support Scheme implemented since the 2014-2015 academic year to attract and retain talent for specific industries with a keen demand for trained manpower.

45. Panel members supported the recommendation of the Task Force on Promotion of Vocational Education to rebrand VET in Hong Kong as vocational and professional education and training ("VPET"), and were pleased to note that the Administration had accepted all the recommendations put forward by the Task Force. The Panel would continue to monitor the future implementation of VPET.

46. A delegation of the Panel visited Germany and Switzerland in September 2015 to study the dual-track VET systems in these two countries,

and issued a report setting out its findings and observations. The delegation considered that the experience of Germany and Switzerland could provide useful reference for Hong Kong. Subsequently, the Panel obtained the approval of the House Committee for the priority allocation of a slot to the delegation leader to move a motion for debate on the delegation's visit report at the Council meeting of 1 June 2016. The said motion debate had not been held owing to the heavy agenda of Council meetings.

Issues related to UGC-funded institutions

Funding for the 2016-2017 to 2018-2019 triennium

47. The Panel was briefed on the recurrent subvention of about \$53.6 billion (i.e. \$17.9 billion each year) for the UGC-funded sector for the 2016-2017 to 2018-2019 triennium. Question had been raised on the methodology and criteria adopted by UGC in its allocation of funding to different institutions. As explained by UGC, the recurrent grant for each institution basically comprised a block grant and funds provided for specific purposes. UGC's assessment of recurrent grants for individual institutions was based primarily on the distribution of indicative student number targets. The funding methodology would assess the resources required by each institution to meet its teaching and research requirements in pursuit of its role and mission.

48. Some members noted that the number of UGC-funded first-year first-degree ("FYFD") places would be maintained at 15 000 per annum, while the number of subsidized senior year undergraduate intake places for sub-degree graduates would be progressively increased to 5 000 by 2018-2019. They considered it necessary to increase the number of subsidized FYFD places so as to increase the opportunities for candidates who met the general university entrance requirements to pursue publicly-funded undergraduate education. According to the Administration, through the development of the publicly-funded and self-financing post-secondary sectors, about 46% of students in the relevant cohort currently had access to degree-level education. It was expected that all secondary school leavers meeting the minimum general requirements for university admission could have access to degree-level education by 2022 assuming that the performance of secondary school graduates was maintained at the current level.

49. Noting that additional FYFD places in medicine, dentistry and other healthcare disciplines would be provided within the overall UGC-funded FYFD places, some members considered that FYFD places in technology and innovation-related disciplines should also be increased. As advised by the Administration, it would take into account all relevant factors, including the manpower requirements, capacity of teaching staff, availability of equipment

and facilities, opportunities of practical training etc. when considering the increase in FYFD places in certain disciplines. Individual institutions also had the discretion to allocate FYFD places among different programmes within their approved indicative student number targets.

Chancellorship of institutions

50. Members expressed views on the existing statutory arrangements under which the Chief Executive ("CE") was the ex-officio Chancellor of UGC-funded institutions vested with specified powers. Some members queried the justification to continue this practice, which was a legacy of colonial administration. They were concerned that instead of performing a ceremonial role, CE had exercised his powers as Chancellor to the fullest extent and interfered with institutional autonomy. Some other members however did not see any need to overhaul the existing system. As substantial funding was provided to these institutions, the Government had a legitimate interest in their operation. Members were aware that the governing legislation of individual institutions would need to be amended if the role and powers of CE as the ex-officio Chancellor of institutions were to be changed.

51. At the meeting on 11 January 2016, members passed a motion by a vote of nine to three urging the Administration to, amongst others, fully consult the public and the stakeholders of various universities on amending the governing legislation for UGC-funded institutions so as to uphold academic freedom and institutional autonomy. In its response, the Administration reiterated that the current statutory system operated effectively. Individual institutions enjoyed academic freedom and institutional autonomy under their respective governing legislation. The respective roles of the Government, UGC and the institutions were also clearly defined in the UGC Notes on Procedures.

Institutional governance

52. At the meeting on 9 May 2016, the Panel exchanged views with the Administration, UGC and the eight UGC-funded institutions on the Report entitled "Governance in UGC-funded Higher Education Institutions in Hong Kong" issued by UGC in March 2016 following a study by Sir Howard NEWBY ("the Report"). Members noted that in general, the Report was well-received by the institutions. On whether there had been prior consultation before the recommendations in the Report were finalized, UGC advised that the institutions had been consulted in the course of the study. UGC would also set up a task force, to be led by Sir Howard, to follow up the implementation of the recommendations in the Report.

53. Some Panel members expressed support for the recommendations set out in the Report which sought to enhance the capacity of the governing councils of the institutions. Some other members cautioned that councils should not become overly involved in the daily operation and management of universities. There was also a view that the appointment of council members should be made by the institutions instead of by CE. According to the Administration, appointment to university councils had all along been made in accordance with the law and on a merit basis with regard to the expertise and experience of the appointees concerned.

54. The Panel held a special meeting on 18 June 2016 and received views from student representatives, university staff, concern groups and other stakeholders. Whilst appreciating the publication of the Report, many deputations criticized its terms of reference as too restrictive and that it did not examine the critical question of CE's ex-officio role as the Chancellor of institutions and his powers to appoint members to university councils. In their view, such appointments were mostly made out of cronyism without due regard to the suitability of the individuals concerned. On the composition of governing councils, some deputations were concerned that the current proportion of lay members which far outnumbered university members was not conducive to upholding the core values and mission of the institution. There was a view that the role of UGC in the higher education sector should be reviewed. As the operation of UGC-funded institutions was outside the ambit of the Ombudsman, there was a suggestion to put in place a cross-institutional grievance-handling mechanism.

55. Some members shared the deputations' concerns about political interference into university affairs through CE's appointment of members to governing councils. They did not subscribe to the Administration's view that the existing statutory system was effective and required no review. They were gravely concerned about the lack of transparency in the operation of university councils, the capabilities of council members to discharge their responsibilities, UGC's functions and role. These members considered it necessary for the Panel to follow up the subject in the next term. They agreed to put on record the wording of a motion proposed by Dr Hon Helena WONG, which had not been dealt with at the meeting on 18 June 2016, urging the Panel on Education of the Sixth Legislative Council to follow up the discussion of the aforesaid meeting, to invite Sir Howard NEWBY to provide an in-depth follow-up report on governance in UGC-funded institutions so as to address the worries and demands of different stakeholders about the governance in universities in Hong Kong.

Research-related issues

56. When deliberating the policy on research funding from UGC and the Research Grants Council ("RGC"), some members were concerned that the Research Portion ("R-portion") of the Block Grant disbursed by UGC had placed too heavy emphasis on the institution's success in obtaining funding from RGC and its performance in the Research Assessment Exercise ("RAE"). To address such concern, UGC indicated that it had taken into account the institution's success in obtaining research funding from other sources such as the Innovation and Technology Fund in the RAE 2014, which would in turn have an effect on the R-portion of the Block Grant as it was partly driven by the RAE 2014 results.

57. Members noted that as submitted by some institutions, the allocation of research funding might favour academic research more than applied research. On whether EDB/UGC would collaborate with the Innovation and Technology Bureau ("ITB") to provide more funding for applied research, the Panel was informed that the Government would earmark \$2 billion to ITB and the investment income generated from the allocation would be used to fund mid-stream research undertaken by UGC-funded institutions.

58. The Panel noted that in 2014, RGC started work on a review of its operation, which would be taken forward in two phases. Meanwhile, UGC would set up the Task Force on the Review of the Research Grants Council (Phase 1) to oversee the implementation of the Phase 1 Review. It undertook to convey the views of members and the institutions to the Task Force for consideration.

59. Some members and deputations expressed concern about the existing policy and mechanism to handle alleged misconduct in research activities undertaken by UGC-funded institutions. According to the Administration, individual institutions had the primary responsibility for the prevention, detection and investigation of research misconduct. As UGC and RGC were responsible for disbursing funding to universities and monitoring its use, alleged cases that involved RGC-funded research would be dealt with by RGC's Disciplinary Committee. Its membership comprised international experts who had no vested interest in the local tertiary sector. Regarding concerns about the transparency of the work of the Disciplinary Committee, UGC advised that certain confidentiality, such as personal particulars, had to be maintained when considering disciplinary issues.

Self-financing post-secondary education

60. During the session, the Panel continued to follow the development of self-financing post-secondary education, and exchanged views with related

bodies on policy and regulatory issues. Members were concerned about insufficient student enrolment due to the decline in number of secondary school graduates. Some deputations suggested relaxing the ceiling on admission of non-local students from the Mainland, Taiwan and Macao to help improve student enrolment. The Administration explained that at present, the institutions could admit students from the Mainland, Taiwan and Macao up to a level equivalent to 10% of their student enrolments. On average, students from the Mainland, Taiwan and Macao now accounted for about 5% to 6% of student enrolments. The admission of students from other overseas places was not subject to any ceiling.

61. Some members were concerned that the proliferation of self-financing post-secondary programmes and insufficient enrolment would result in the termination of some study programmes. On how the interest of students could be safeguarded under such circumstances, the Administration confirmed that the institution concerned would be reminded to make arrangements for existing students to complete their study and not to enrol students to the programmes pending cessation. The Administration would also provide relevant information to students who would need to continue their study in other institutions. Meanwhile, some members referred to the out-dated provisions under the Post Secondary Colleges Ordinance (Cap.320), and urged for their early amendment to enhance regulation of the sector and governance of the institutions.

62. The comparatively higher tuition fee of self-financing programmes and its financial burden on students was of serious concern to the Panel. Some members concurred with deputations that consideration should be given to providing subsidy to students by way of a voucher system. According to EDB, it was the Government's policy to support the parallel development of publicly-funded and self-financing post-secondary sectors. It would be a major policy shift and financial commitment by the Government if a comprehensive voucher system was introduced for the self-financing sector. Members also followed up with the Administration the collection of enrolment deposits and the first instalment of tuition fee by institutions. As advised by EDB, most institutions had adopted common application and admission arrangements to align the deadline for collecting the first instalment of tuition fee and benchmark the enrolment deposits at not more than \$5,000 to avoid students having to forfeit large amount of deposits and tuition fees due to different admission timelines among institutions.

The Belt and Road Scholarship Scheme ("the Scheme")

63. At the policy briefing on 15 January 2016, the Panel was consulted on the Administration's proposal to inject \$1 billion into the HKSAR Government Scholarship Fund and use the investment income thus generated

to provide scholarships to up to 100 outstanding students from the Belt and Road ("B&R") region to pursue undergraduate studies in UGC-funded institutions. Members expressed diverse views and one of the concerns was that there should be reciprocal arrangement for local students to study in universities in the B&R region.

64. At its meeting held on 13 June 2016, the Panel was briefed on the revised proposal to also provide outbound scholarships for local students under the Scheme. Members who opposed the Scheme held the view that instead of subsidizing foreign students to study in local universities, the Administration should deploy the proposed funding to provide sufficient publicly-funded undergraduate places for candidates who met the minimum university entrance requirements. There were also other pressing education-related issues which warranted immediate attention and support. Serious doubt was cast on the attractiveness of the outbound scholarships as the higher education system in many of the B&R economies were quite unknown to local students. Some members criticized that the Scheme was a political ploy to tie in with the latest policy of the Mainland and to increase CE's chance of re-election.

65. The EDB confirmed that the implementation of the Scheme would in no way affect or reduce existing resources for education. Students from the B&R region would be admitted through over-enrolment outside the approved UGC-funded student number targets. The Scheme would be implemented as a Government-to-Government collaborative initiative in phases. According to EDB, this initiative was conceived as early as 2013 and was not based on political consideration.

66. Some members expressed support in principle for the Scheme and its intended objectives, provided that it would not affect local students' opportunities for subsidized higher education. They considered the implementation of the Scheme conducive to strengthening ties and educational exchange between Hong Kong and the B&R economies. Nevertheless, to ease concerns about the proposed funding injection, the Administration was urged to explore other sources of funding, such as deploying internal resources or seeking private donations, or to offer exchange programmes instead of full-course scholarships. They also considered it necessary for the Administration to further explain to the community the benefits of the Scheme and to provide more information on higher education in the B&R economies before launching the Scheme.

67. On concerns whether the funding proposal would be urgently submitted to the Finance Committee ("FC") for approval within the current session at the expense of other important items such as civil service pay adjustment, EDB informed members in late June 2016 that as there were still

many items relating to people's livelihood to be processed by FC, the Government had decided to submit its funding proposal for establishing the Scheme to the next term of the Panel and FC for deliberation.

Major financial and legislative proposals

68. Some major financial and legislative proposals considered by the Panel in the 2015-2016 session are summarized below.

Capital works projects for schools

69. The Panel had been consulted on the following school projects and supported the submission of the relevant proposals to the Public Works Subcommittee and FC –

- (a) Extension and conversion to St. Paul's Primary Catholic School at Wong Nai Chung Road, Happy Valley;
- (b) Construction of a 30-classroom secondary school at Site 1A-2, Kai Tak Development for the reprovisioning of Cognitio College (Kowloon);
- (c) Construction of a 30-classroom primary school at Site KT2b, Development at Anderson Road, Kwun Tong for the reprovisioning of S.K.H. St. John's Primary School; and
- (d) Construction of a school for social development in Area 2B, Tuen Mun for the reprovisioning of Tung Wan Mok Law Shui Wah School-cum-Island Hostel.

Funding proposals

70. The Panel considered the following proposals and supported their submission to FC for approval –

- (a) Enhancement of the Mainland University Study Subsidy Scheme by expanding the scope of the Scheme and broadening the eligibility criteria ;
- (b) Establishment of the \$800-million Gifted Education Fund; and
- (c) Implementation of a pilot scheme at a non-recurrent expenditure of \$200 million to subsidize students admitted to designated professional part-time programmes offered by the Vocational Training Council.

Legislative proposal

71. The Panel was briefed on the development and change of title of The Hong Kong Institute of Education ("HKIEd") and The Hong Kong Institute of Education (Amendment) Bill 2016 ("the Bill") at the meeting held on 1 February 2016. Members generally supported early passage of the Bill in order to grant university title to HKIEd. The Panel also noted that HKIEd had set up a taskforce, headed by its President, to study governance-related issues after completing work on applying for change to university title.

72. The Bill was passed by the Council on 19 May 2016 and published in the Gazette on 27 May 2016.

Meetings and visit

73. From October 2015 to July 2016, the Panel held a total of 14 meetings, and received views from more than 140 deputations.

74. In April 2016, the Panel paid a visit to three primary schools operating in matchbox-style sub-standard premises. To follow up issues arising from the visit, the Chairman convened two closed meetings in May and July 2016.

Council Business Division 4
Legislative Council Secretariat
6 July 2016

Legislative Council

Panel on Education

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to education.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy area prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Panel on Education

Membership list for 2015-2016 session

Chairman Dr Hon LAM Tai-fai, SBS, JP

Deputy Chairman Hon IP Kin-yuen

Members

Hon Albert HO Chun-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBM, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon WONG Kwok-hing, BBS, MH
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon Cyd HO Sau-lan, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHEUNG Kwok-che
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon LEUNG Kwok-hung
Hon WONG Yuk-man
Hon Michael TIEN Puk-sun, BBS, JP
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin, BBS
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Dr Hon Kenneth CHAN Ka-lok
Hon Dennis KWOK
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon Martin LIAO Cheung-kong, SBS, JP
Dr Hon CHIANG Lai-wan, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

(Total : 32 Members)

Clerk Miss Polly YEUNG

Legal Adviser Mr Stephen LAM