

## **ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE**

### **HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION BUREAU Subhead 000 Operational expenses**

Members are invited to recommend to Finance Committee the following proposals of the Education Bureau –

- (a) the revised pay scales of the Senior Primary School Master/Mistress, Headmaster/Headmistress II and Headmaster/Headmistress I ranks of the Primary School Master/Mistress grade with effect from 1 September 2019;
- (b) the conversion arrangement for serving staff in the Senior Primary School Master/Mistress, Headmaster/Headmistress II and Headmaster/Headmistress I ranks of the Primary School Master/Mistress grade in public sector primary schools with effect from 1 September 2019; and
- (c) an increase in the ceiling placed on the total notional annual mid-point salary value of all non-directorate posts in the establishment of Head 156 Government Secretariat: Education

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Bureau in 2019-20 from \$4,016,284,000 by \$56,664,240 to \$4,072,948,240 with immediate effect upon approval of Finance Committee for (a) and (b) above for their implementation and the upgrading of 155 non-directorate civil service posts in government primary schools with effect from 1 September 2019.

## PROBLEM

In tandem with the implementation of whole-day primary schooling and the all-graduate teaching force policy in primary schools, we need to rationalise the salaries of school heads and deputy heads and improve the manpower at the middle management level in public sector primary schools.

## PROPOSAL

2. The Secretary for Education (SED) proposes, with effect from the 2019/20 school year, to –

- (a) rationalise the salaries for school heads and deputy heads in public sector primary schools by revising the pay scales of the Primary School Master/Mistress (PSM) grade as follows –
  - (i) from Master Pay Scale (MPS) Points 34-35 to MPS Points 34-39 for the Senior Primary School Master/Mistress (SPSM) rank;
  - (ii) from MPS Points 35-39 to MPS Points 40-43 for the Headmaster/Headmistress II (HM II) rank;
  - (iii) from MPS Points 38-41 to MPS Points 43-46 for the Headmaster/Headmistress I (HM I) rank;
- (b) apply the normal conversion arrangement to the serving staff in the SPSM, HM II and HM I ranks in public sector primary schools; and

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- (c) improve the manpower at the middle management level of public sector primary schools, including the upgrading of 155 non-directorate civil service posts in government primary schools from the Assistant Primary School Master/Mistress (APSM) rank to the PSM rank.

3. For implementation of paragraph 2 above, SED proposes to increase the ceiling placed on the total notional annual mid-point salary (NAMS) value of all non-directorate posts in the establishment of Head 156 Government Secretariat: Education Bureau (EDB) in 2019-20 from \$4,016,284,000 by \$56,664,240 to \$4,072,948,240.

### **JUSTIFICATION**

4. EDB set up in November 2017 the Task Force on Professional Development of Teachers (the Task Force) to review issues relating to the professional development of teachers and make recommendations on enhancement measures.

5. The Government adopted the Task Force's suggestion that the all-graduate teaching force policy should be implemented at the soonest possible, and the Chief Executive announced in her Policy Address in 2018 that the all-graduate teaching force policy would be implemented in one go in public sector primary and secondary schools as from the 2019/20 school year. Schools would be allowed flexibility to fully implement the policy within two years taking into account their respective school-based circumstances.

6. The Policy Address also acknowledged that, in tandem with the implementation of whole-day primary schooling and the all-graduate teaching force policy in primary schools, the Government would rationalise the salaries of school heads and deputy heads and improve the manpower at the middle management level in primary schools, and announced that a recurrent allocation of \$500 million would be earmarked for the purpose. The Task Force accorded priority to the deliberation of these two aspects and submitted relevant recommendations in an Interim Report to the Government in November 2018 for its early consideration and follow-up.

**/Rationalising .....**

## **Rationalising the Salaries of Schools Heads and Deputy Heads in Primary Schools**

### *The SPSM rank*

7. The SPSM rank was created in 2008 having regard to the increasingly important functional role of deputy heads of primary schools after the introduction of various education reform initiatives, the more complicated school environment, and the increasing demand and expectations of stakeholders. Upon the creation of the rank, SPSM also serves as the headship rank of schools with 11 or fewer classes<sup>1</sup>.

8. The Task Force noted that the extensive development on the education landscape with numerous initiatives to meet students' changing learning needs had increased both the loading and complexity of work of school leaders in primary schools, including those of deputy heads (i.e. SPSMs in primary schools with 12 or more classes). The Task Force also considered the two- point pay scale (MPS Points 34-35) of the SPSM rank was inadequate in reflecting the level and complexity of their responsibilities in the present day circumstances and giving due incremental credit in recognition of experience. During the consultation conducted by the Task Force, many practitioners in the sector strongly expressed the opinion that the existing two- point pay scale of the SPSM, with a pay differential of around \$1,500 per month between the maximum pay points of the SPSM and PSM ranks, could hardly attract and retain talent at the SPSM rank. Some primary school heads shared the view that they had difficulties in attracting teachers suitable for taking on challenges of a higher rank to accept advancement opportunities and this had given rise to succession planning problems. Given the above, the Task Force recommended that the pay scale of the SPSM rank be improved to provide career advancement prospect and incentives to attract quality teachers to the primary school sector and, more specifically, to encourage more PSMs to progress upwards to take up school leadership ranks. The Task Force further recommended that the overlapping of the pay scales of SPSM and HM II should be removed as this, particularly when a deputy head in SPSM rank receives the same pay as the school head in the HM II rank, could cause undesirable staff management and morale problems.

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<sup>1</sup> Schools with 12 to 23 classes are headed by HM II while those with 24 or more classes are headed by HM I.

*The HM II and HM I ranks*

9. For the two ranks at the school head level, the Task Force highlighted the fact that their pay scales were set many years ago<sup>2</sup> based on the arrangements for half-day primary schooling. The gradual implementation of whole-day primary schooling had brought on substantial changes to school operations and development, and hence more onerous duties, higher responsibilities and heavier workload of the school heads. The longer school days had enabled planning of more flexible curriculum and diversified student learning activities. The school heads needed to lead their professional teaching teams in designing and delivering curricula that were conducive to promoting all-round education for the development of students' potential. The operation of whole-day classes with an expanded teaching force had rendered school administration more complex, and school heads needed to demonstrate much more sophisticated professional and managerial leadership to carry out their duties effectively.

10. The Task Force acknowledged that the multi-faceted work of school heads in primary schools had grown in complexity with the education development over the years. The Task Force considered that the pay scales for the HM II and HM I ranks should be adjusted to give due recognition to the important roles they played and the complex duties and responsibilities they shouldered.

11. The Task Force considered that the overlapping pay scales for HM II and HM I was undesirable as their workload and responsibilities were different in magnitude and complexity. In addition, while it might be inappropriate to make direct comparison of the salaries for the headships of primary and secondary schools<sup>3</sup>, the Task Force considered the current significant differences between the salaries of the headships of primary and secondary schools should be narrowed to better attract talents to join the primary school sector for its long-term development.

12. EDB agrees with the Task Force's assessment regarding the SPSM, HM II and HM I ranks as set out in paragraphs 8 to 11 above, and considers adjustments to their pay scales justified. Specifically, to tie in with the

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<sup>2</sup> The pay scales of HM I (MPS Points 38-41) and HM II (MPS Points 34-39) were set when the PSM grade was created in the 1994/95 school year. In 2008, the minimum pay point of the HM II rank was raised from MPS Point 34 to 35 following the creation of the SPSM rank with a pay scale at MPS Points 34-35.

<sup>3</sup> The rank and pay scale of a secondary school head is determined by the number of classes as follows: Principal I at MPS Points 45-49 (24 or more classes); Principal II at MPS Points 40-44 (15 to 23 classes) and Principal Graduate Master/Mistress at MPS Points 38-41 (14 or fewer classes).

implementation of whole-day primary schooling, the teacher-to-class ratio and senior teacher posts ratio have been improved accordingly to meet the teaching staff manpower needs for longer school days for primary schools that changed into whole-day operation. However, no related enhancement has been provided for the school heads' salary.

Encl. 1 13. EDB agrees that the salaries of school heads and deputy heads in primary schools should be adjusted to reflect the substantial changes in the scope of work and the increased complexity of responsibilities, and to give due recognition to the important roles they play and the complex duties and responsibilities they shoulder in the setting of whole-day primary schooling. As regards the overlapping pay scales, EDB considers that retaining an overlap between the HM I and HM II ranks could lessen the impact of the one-time quantum percentage increase in the new maximum pay point of HM I. However, it should only be a one-point overlap so that the salary of an HM II would not be higher than that of an HM I to more fairly reflect the differences in the complexity of their work. EDB proposes to revise the pay scales for the SPSM, HM II and HM I ranks of the PSM grade as set out at Enclosure 1 to provide reasonable incentives for teachers to take up the school leadership roles, better recognise the building up of experience and expertise in the future, and narrow the existing gaps in the salaries for the headship of primary and secondary schools to attract dedicated professionals to join the primary school sector.

*Normal conversion arrangement*

14. EDB proposes to, in accordance with established practice, adopt the normal conversion arrangement for the serving school heads and deputy heads in public sector primary schools at SPSM, HM II and HM I ranks. The overriding principle is that no one should receive less pay on conversion to the new scale.

15. In the present case of SPSM rank where the minimum of the pay scale (at MPS Point 34) remains unchanged and only the maximum is raised (from MPS Point 35 to 39), the normal conversion arrangement provides that (a) where a staff's pay is less than the maximum of the old scale or where he has served on the old maximum for less than one year, he should convert to the same numbered point on the revised scale; and (b) where a staff has served for one or more years on the maximum of the old scale, he should convert to the next higher numbered point on the revised scale.

16. In the present case of HM II and HM I ranks where both the minimum point (from MPS Point 35 to 40 and from MPS Point 38 to 43 respectively) and the maximum point (from MPS Point 39 to 43 and from MPS Point 41 to 46

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respectively) of the respective pay scales are raised, the normal conversion arrangement provides that (a) where a staff's pay is less than the minimum of the revised scale, he should receive the new minimum; and (b) where the revised scale has a maximum which is two or more points higher than the old maximum, a staff who has served for one year or more on the old maximum should convert to two points above his existing pay point.

17. Details on the conversion arrangement to be adopted for the SPSM, Encl. 2 HM II and HM I ranks are shown in Enclosure 2.

### **Improving the Manpower at the Middle Management Level in Primary Schools**

18. The existing provision of senior teacher posts<sup>4</sup> in ordinary primary schools is basically computed on the basis of the number of approved classes. The provision ratios are one senior teacher post for every three whole-day and four bi-sessional primary classes respectively. Based on the existing teacher-to-class ratios of 1.6 teachers and 1.5 teachers per whole-day and bi-sessional primary class, the equivalent provision ratios of senior teacher posts are one in every 4.8 teachers and six teachers respectively. For the primary section of special schools and primary special schools, the existing provision of senior teacher posts is determined based on the number of teaching posts at the ratio of one senior teacher post in every four teaching posts. Apart from the above basic provision, schools are also provided with additional senior teaching posts for the implementation of various initiatives.

19. The Task Force reviewed the current provision of manpower at the middle management level in primary schools and recommended that the provision of senior teachers should be enhanced for the following reasons –

- (a) The numerous education initiatives implemented over the past decades for the improvement of primary education such as integrated education, whole school approach to guidance, inclusion of non-Chinese speaking students, etc., had brought on far-reaching impacts on school operations and rendered school planning and student support work particularly more complex and demanding. Schools needed more middle leaders than a few decades ago to take charge of key subject panels as well as leading various functional areas or education initiatives driven by the developmental needs of individual schools;

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<sup>4</sup> All senior teacher posts will be in the PSM rank upon the implementation of the all-graduate teaching force policy in the 2019/20 school year.

- (b) Other than the improved provision for senior teachers upon implementation of whole-day primary schooling and the additional senior teacher posts for specific purposes, there had not been any major review or enhancement of the senior teacher provision to help primary schools cope with the constant developments on the education landscape over the years to meet the changing learning needs of students; and
- (c) As the computation of promotion posts in primary schools was linked to the number of approved classes, more promotion posts would not be created upon improvements of the teacher-to-class ratio. This was not conducive to good management when the staff establishment grows bigger and in turn not in the interest of school development.

20. The Task Force recommended that the provision of senior teacher posts should be improved to one senior teacher for every two classes from the current rate of one senior teacher for every three classes for whole-day primary schools. The recommended provision of senior teachers, together with those additional senior teacher posts previously provided under various initiatives which the Task Force recommended to keep intact, would give primary schools a reasonable number of senior teachers to cover their key subject panels and major functional groups as well as coordination of initiatives to drive school-based development. To meet the long-term developmental needs of schools, the Task Force recommended that the provision of senior teacher posts in primary schools should be changed from basing on the number of classes to number of teaching posts so that the provision could, like the secondary education sector, be adjusted with changes in the teacher-to-class ratio, if any, correspondingly. In addition, the Task Force proposed that the teaching posts generated from the increase in teacher-to-class ratio by 0.1 since the 2017/18 school year could be counted towards the calculation of promotion posts<sup>5</sup>.

21. Having considered the recommendations of the Task Force and the prevailing teacher-to-class ratios in paragraphs 20 and 18 above, EDB proposes to improve the provision of teachers in the middle management level to one senior teacher post in every 3.2 teaching posts for whole-day classes in ordinary primary

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<sup>5</sup> With effect from the 2017/18 school year, the teacher-to-class ratio for public sector primary and secondary schools (including special schools) has increased by 0.1 across-the-board to provide additional teaching staff to schools to take forward various education initiatives and enhance the quality of education for the benefit of our students. The additional teaching posts are graduate posts and do not count towards the calculation of promotion post entitlement, pending the review to establish a professional ladder for primary and secondary school teachers.



schools. The provision for bi-sessional classes in ordinary primary schools is proposed to be improved correspondingly to one senior teacher post in every four teaching posts. For the primary section of special schools and primary special schools, EDB proposes to improve it to one senior teacher post in every three teaching posts. As a related improvement, EDB also proposes to count the teacher librarian post, which is a teaching post provided in addition to the basic provision according to teacher-to-class ratio, towards the calculation of promotion posts.

## **ALTERNATIVES CONSIDERED**

22. For the proposal to rationalise the salaries for school heads and deputy heads in public sector primary schools, given the manpower needs for the increased responsibility and complexity of work for school heads arising from the implementation of whole-day schooling could not be met by other enhancement measures, the proposed rationalisation of the salaries for school heads is the only viable option to give due recognition to the important roles they play and the complex duties and responsibilities they shoulder, and to redress the imbalanced pay scales of school heads and deputy heads that have lagged behind the development in the school sector over a long period of time.

23. For the proposal to improve the manpower at the middle management level in public sector primary schools, given the all-graduate teaching force policy will be implemented from the 2019/20 school year, schools need to redefine the more diversified professional roles and duties of graduate teachers and arrange their human resources holistically to support the effective coordination and execution of various education initiatives in schools. There is no viable alternative but to implement the proposed improvement of the manpower at the middle management level in tandem with the implementation of the all-graduate teaching force policy so as to meet the long-term developmental needs of primary schools.

## **FINANCIAL IMPLICATIONS**

24. The two proposals to rationalise the salaries for school heads and deputy heads and to improve the manpower at the middle management level in public sector primary schools would involve an additional recurrent expenditure of about \$862 million in a full-year and \$503 million in 2019-20 with a breakdown as shown in the table below. As EDB is unable to cover this additional requirement through internal re-deployment, it will seek approval from the Finance Committee (FC) for a supplementary provision of \$503 million for 2019-20.

	<b>2019-20</b>	<b>Full-year effect</b>
	<b>\$million</b>	<b>\$million</b>
(a) Rationalising the salaries for school heads and deputy heads in primary schools	123	212
(b) Improving the manpower at the middle management level in primary schools	380	650
<b>Total</b>	<b>503</b>	<b>862</b>

25. In the government sector, the two proposals will involve the normal conversion arrangement for incumbent SPSMs, HM IIs and HM Is and the upgrading of 155 non-directorate civil service posts from the APSM rank to the PSM rank in government primary schools in the 2019/20 school year. EDB proposes to increase the ceiling placed on the total NAMS value of all non-directorate posts in the establishment of EDB in 2019-20 from \$4,016,284,000 by \$56,664,240 to \$4,072,948,240. The financial implication for the normal conversion arrangement is about \$13.8 million per year in the form of additional cost on payroll and supply teachers. The additional full annual average staff cost, including salaries and staff on-cost, for post upgrading is \$46,186,000.

26. Subject to FC's approval on the revised pay scale, conversion arrangement, increase in the ceiling placed on the total NAMS value and the supplementary provision, the funding and manpower requirements of the proposals beyond 2019-20 will be reflected in the Estimates of the relevant years.

## **PUBLIC CONSULTATION**

27. The proposals to improve the manpower at the middle management level and rationalise the salaries for school heads and deputy heads in primary schools are based on the recommendations of the Task Force which have been deliberated in detail by members from different fields in the education sector. Views of major councils and associations have been taken into consideration in formulating the proposals.

28. We consulted the Legislative Council Panel on Education on 29 March 2019. The Panel supported our proposals being submitted for the Establishment Subcommittee's consideration.

## **ESTABLISHMENT CHANGES**

29. The establishment changes in EDB for the past two years are as follows –

/Establishment .....

Establishment (Note)	Number of Posts		
	Existing (As at 1 April 2019)	As at 1 April 2018	As at 1 April 2017
A	33 <sup>#</sup>	33+(1)	33+(1)
B	1 397	1 385	1 382
C	4 569	4 473	4 191
<b>Total</b>	<b>5 999</b>	<b>5 891+(1)</b>	<b>5 606+(1)</b>

Note:

A - ranks in the directorate pay scale or equivalent

B - non-directorate ranks, the maximum pay point of which is above MPS Point 33 or equivalent

C - non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent

( ) - number of supernumerary directorate posts

# - as at 1 April 2019, there was no unfilled directorate post in EDB

### **CIVIL SERVICE BUREAU COMMENTS**

30. The Civil Service Bureau supports the proposed pay scales of the SPSM, HM II and HM I ranks and the adoption of the normal conversion arrangement for serving SPSMs, HM IIs and HM Is. The proposed pay scales are considered appropriate having regard to the level and scope of the responsibilities required.

### **ADVICE OF THE STANDING COMMISSION ON CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE**

31. EDB has sought the advice of the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission), in accordance with the established mechanism, on the proposal to rationalise the salaries of school heads and deputy heads. The Standing Commission supports that there is a need to improve the pay scales of the SPSM, HM II and HM I ranks of the PSM grade, and has no adverse comments on the proposed pay scales.

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**Existing and Proposed Pay Scales of  
Senior Primary School Master/Mistress,  
Headmaster/Headmistress II and Headmaster/Headmistress I Ranks  
of Primary School Master/Mistress Grade**

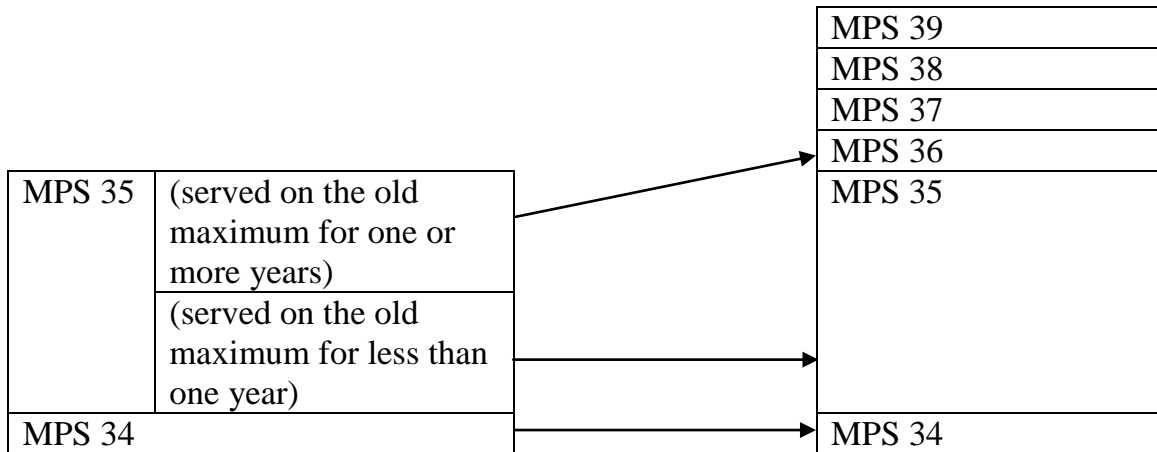
<b>Rank</b>	<b>Existing pay scale</b>	<b>Proposed pay scale</b>
Senior Primary School Master/Mistress	MPS Points 34-35 (\$70,590 - \$71,520)	MPS Points 34-39 (\$70,590 - \$85,770)
Headmaster/ Headmistress II	MPS Points 35-39 (\$71,520 - \$85,770)	MPS Points 40-43 (\$89,460 - \$101,520)
Headmaster/ Headmistress I	MPS Points 38-41 (\$81,975 - \$93,315)	MPS Points 43-46 (\$101,520 - \$116,265)

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**Conversion Arrangement for Senior Primary School Master/Mistress Rank of  
Primary School Master/Mistress Grade**

**Existing pay scale**

**Proposed pay scale**



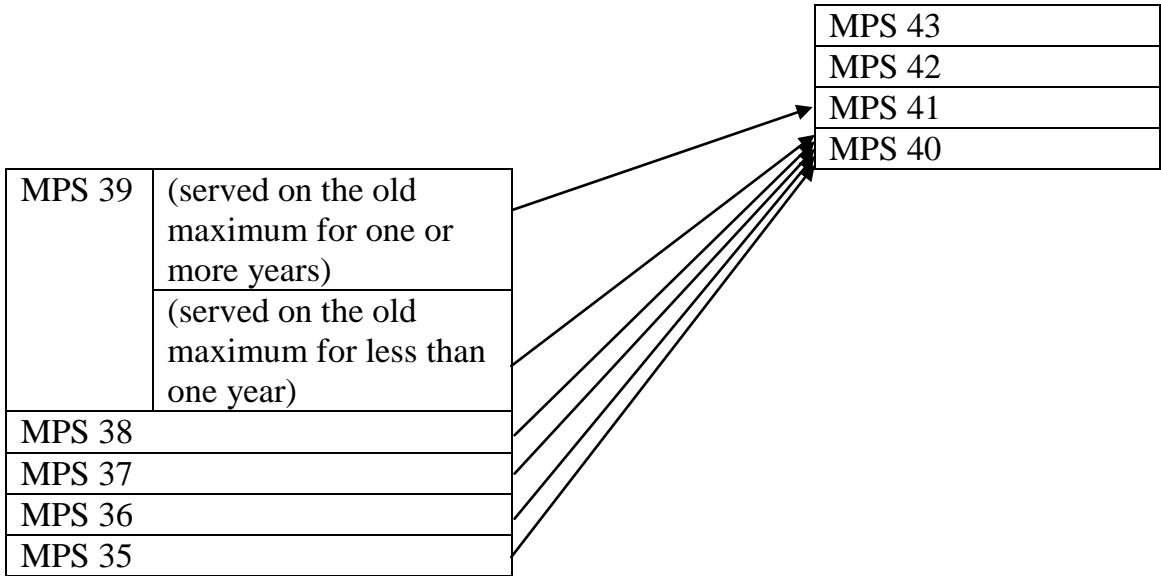
*MPS: Master Pay Scale*

**/Conversion .....**

### Conversion Arrangement for Headmaster/Headmistress II Rank of Primary School Master/Mistress Grade

**Existing pay scale**

**Proposed pay scale**



*MPS: Master Pay Scale*

Note: In line with the usual practice, where the pay after conversion is higher than the pay before conversion by two pay points or more, the incremental date of the staff concerned will be realigned to the effective date of implementing the new pay scale.

**/Conversion .....**

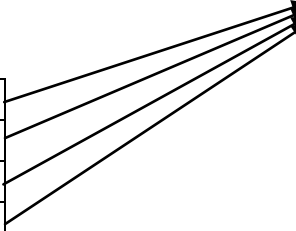
**Conversion Arrangement for Headmaster/Headmistress I Rank  
of Primary School Master/Mistress Grade**

**Existing pay scale**

**Proposed pay scale**

MPS 41
MPS 40
MPS 39
MPS 38

MPS 46
MPS 45
MPS 44
MPS 43



*MPS: Master Pay Scale*

Note: In line with the usual practice, where the pay after conversion is higher than the pay before conversion by two pay points or more, the incremental date of the staff concerned will be realigned to the effective date of implementing the new pay scale.

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