

立法會
Legislative Council

LC Paper No. FC138/18-19
(These minutes have been
seen by the Administration)

Ref : FC/1/1(2)

Finance Committee of the Legislative Council

Minutes of the first meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 12 October 2018, at 3:15 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP

Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon James TO Kun-sun
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Michael TIEN Puk-sun, BBS, JP

Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Kenneth LAU Ip-keung, BBS, MH, JP

Public officers attending:

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Carol YUEN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Dr CHUI Tak-yi, JP	Under Secretary for Food and Health
Mr Gilford LAW Sum-on	Principal Assistant Secretary for Food and Health (Food)2
Mr David WONG Fuk-loi, JP	Deputy Director of Food and Environmental Hygiene (Administration and Development)
Mr CHENG Ka-yu	Acting Assistant Director of Food and Environmental Hygiene (Operations)2
Mr Kenny WONG Wai-chung	Chief Engineer (Municipal), Electrical and Mechanical Services Department
Mr TANG Ngai-man	Senior Engineer (Municipal/Project), Electrical and Mechanical Services Department
Mrs Ingrid YEUNG HO Poi-yan, JP	Permanent Secretary for Education
Mrs HONG CHAN Tsui-wah	Deputy Secretary for Education (5)
Mr CHENG Ming-keung	Principal Education Officer (Curriculum Development)2, Education Bureau

Other person attending:

Professor NG Tai-kai	Executive Director, The Hong Kong Academy for Gifted Education
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Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Ms Ada LAU

Senior Council Secretary (1)7

Miss Judy YEE

Council Secretary (1)1

Miss Queenie LAM

Senior Legislative Assistant (1)2

Mr Frankie WOO

Senior Legislative Assistant (1)3

Miss Mandy POON

Legislative Assistant (1)1

Miss Yannes HO

Legislative Assistant (1)6

Action

The Chairman reminded members of the requirements under Rules 83A and 84 of the Rules of Procedure.

**Item 1 — FCR(2018-19)30
CAPITAL WORKS RESERVE FUND**

**HEAD 708 — CAPITAL SUBVENTIONS AND MAJOR
SYSTEMS AND EQUIPMENT**

Food and Environmental Hygiene Department

**New Subhead — "Replacement of Radio Communications System of
the Food and Environmental Hygiene Department"**

2. The Chairman advised that the item sought the approval of the Finance Committee ("FC") for a new commitment of \$56,362,000 for the replacement of the existing radio communications system of the Food and Environmental Hygiene Department ("FEHD"). The Food and Health Bureau had already consulted the Panel on Food Safety and Environmental Hygiene of the Legislative Council ("LegCo") on the proposal on 13 March 2018.

Cost effectiveness of the new digital communications system

3. Dr KWOK Ka-ki was worried that upon the full commissioning of the new digital communications system ("the proposed system") in 2021, its functions and application technologies would have been outdated, thus undermining the cost-effectiveness of the project. Ms Tanya CHAN, Mr Jeremy TAM, Mr AU Nok-hin and Mr Charles Peter MOK asked

whether the Administration had explored other options to reduce the replacement cost of the existing radio communications system (for example, sharing the use of existing radio communications platforms operated by other law enforcement departments including the Hong Kong Police Force ("HKPF")); supporting the proposed system through existing public networks). Mr Tony TSE asked how the proposed system could specifically help the Hawker Control Teams ("HCTs")/Hawker Control Task Forces ("HCTFs") in discharging their duties.

4. Ms Tanya CHAN and Mr AU Nok-hin also said that hawker control was not an emergency duty; and they asked whether the provision of new functions under the proposed system (such as emergency button, "man-down", Global Positioning System ("GPS") and voice recording) was commensurate with the job nature and operational needs of HCTs and HCTFs. Dr CHENG Chung-tai, Mr CHU Hoi-dick and Dr Fernando CHEUNG also raised similar questions.

5. In their consolidated response, Deputy Director of Food and Environmental Hygiene (Administration and Development) ("DD/FEH") and Senior Engineer (Municipal/Project), Electrical and Mechanical Services Department ("SM/EMSD") stated that:

- (a) radio communication had been one of the essential means of communication underpinning the daily operations of HCTs and HCTFs. Through the communications system, squad members could communicate with the console (such as seeking advice or reporting on ground situations) and among themselves, as well as call for assistance from the console or fellow members in emergency situations;
- (b) the existing analogue radio communications system had been running since 1985 and was encountering various problems, in particular, a growing number of radio blind spots. Apart from improving the problem of communication blind spots, the proposed system could provide a more reliable common communications platform enabling multi-user communication among HCTs/HCTFs officers and with the console when discharging their duties, so as to meet their operational needs and safeguard personal safety of squad members;
- (c) the Electrical and Mechanical Services Department ("EMSD") and FEHD had previously discussed with HKPF the feasibility of HCTs/HCTFs sharing the use of HKPF's radio communications platform. HKPF pointed out that the

department's radio communications platform was dedicated to emergency rescue and response. In addition, if FEHD was to share the use of the communications platform, HKPF might have to expand the system's capacity first. As a result, additional cost might be incurred for FEHD; and

- (d) taking into account the fact that there were about 190 squads of HCTs and HCTFs performing duties across the territory, FEHD and EMSD came to the view that it was necessary to develop an independent radio communications system. Currently, the serviceable life of radio communications systems was normally about seven years, while the proposed system could be used for more than 10 years. The proposed system would be set up with 199 fixed radio stations/repeaters and 17 mobile radio stations/repeaters. Making use of Radio over Internet Protocol technology and existing communications infrastructure (i.e. 4G network), the proposed system would allow the connection of multiple radio stations/repeaters and consoles in a cost-effective manner. Through the aforesaid technology, the coverage of the proposed system could be expanded flexibly and cost-effectively.

6. Dr CHIANG Lai-wan, Mr CHU Hoi-dick and Mr AU Nok-hin pointed out that at present, some mobile applications could also deliver certain new functions offered by the proposed system. They asked whether the Administration would consider developing a dedicated mobile application for the purpose, so as to reduce the replacement cost of the communications system.

7. DD/FEH replied that:

- (a) the proposed system was a digital system that was forward looking and more stable when compared with mobile applications in general. The activation method was also simpler and more direct; and
- (b) the proposed system would also provide a common communications platform enabling multi-user communication. By holding down the push-to-talk button on their portable radio handsets, HCT/HCTF officers could communicate with the console to seek advice or report ground situations. They could also communicate with fellow team members, or call for assistance from the console or colleagues

during emergency situations. When compared with mobile phones, the proposed system could facilitate more efficient and effective discharge of duties by HCTs/HCTFs.

8. Mr Charles Peter MOK was concerned whether the Administration would apply for funding from FC if it was necessary to upgrade the proposed system in future. DD/FEH advised that the cost of upgrading the proposed system would be borne by FEHD unless the amount was higher than FEHD's commitment. SM/EMSD supplemented that given the advanced technology deployed for the proposed system, it was envisaged that with suitable adjustment, the proposed system would be compatible with 5G network.

Equipment support and training for Hawker Control Teams and Hawker Control Task Forces

9. Mr Jeremy TAM and Ms Tanya CHAN were worried that the Administration's plan to procure about 1 100-odd sets of radio handsets might not be sufficient for the use of about 2 600 HCT/HCTF officers. Mr TAM requested the Administration to provide information on the number of radio handsets for the existing radio communications system; the proposed number of radio handsets to be procured by FEHD for the proposed system and of which, the number for standby buffer; and the number of radio handsets to be allocated to HCTs/HCTFs in each shift.

10. In response, DD/FEH advised that FEHD had worked out the number of radio handsets to be procured, having regard to the number of existing radio handsets, as well as the shifts and staffing deployment of HCTs/HCTFs. The Administration was of the view that the proposed number of radio handsets to be procured would be sufficient to meet the daily operational need of HCTs/HCTFs. The Administration would provide further information after the meeting as per Mr Jeremy TAM's request.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC65/18-19(01) on 4 December 2018.]

11. Dr CHENG Chung-tai was worried that if there were flaws in the GPS function of the proposed system resulting in leaks of the whereabouts of HCT/HCTF officers, the enforcement operations of HCTs/HCTFs might be hampered. Dr Helena WONG expressed support for the item. She asked how the Administration could prevent the triggering of false alarm under the proposed system (such as the automatic triggering of

"man-down" when the radio handset was dropped to the ground accidentally).

12. DD/FEH replied that:

- (a) to tie in with the enforcement operations of HCTs/HCTFs, voice/data communications would be exchanged by the radio stations/repeaters connected through a secured network to guard against unauthorized tapping, while system security measures would also be put in place; and
- (b) under the proposed system, the radio handsets would be preset with a tilting angle and an inactivity period for triggering the "man down" function. Hence, if a radio handset was dropped to the ground accidentally and the officer concerned had picked it up immediately, the "man down" function would not be triggered and no false alarm would be sounded. During the pilot run of the proposed system, there was no incident involving the triggering of false alarm for the said function whilst HCT/HCTF officers were on duty.

13. Dr CHENG Chung-tai and Mr AU Nok-hin were concerned whether adequate training would be provided for HCT/HCTF officers. Dr CHENG noted that after replacement of the proposed system, staff training costs in certain years were on the low side (such as \$6,000 in 2019-2020 and \$8,000 in 2021-2022). He was worried that HCT/HCTF officers were not provided with adequate support to familiarize themselves with the new functions under the proposed system. Mr AU said that training provided by FEHD for HCT/HCTF officers were not targeted specifically to help them cope with different kinds of problems encountered during the course of duty.

14. In response, DD/FEH pointed out that FEHD would ensure the provision of adequate training for HCT/HCTF officers, so that they could operate various new functions provided under the proposed system (such as reading digital maps and using the GPS function). FEHD would step up communication with the frontline staff and provide them with systematic and dedicated training.

Project tendering

15. Mr Kenneth LEUNG, Ms Tanya CHAN and Mr Charles Peter MOK sought details about the tendering of the proposed system.

Mr LEUNG enquired about the number of communications system suppliers in Hong Kong that were qualified to submit tenders for developing the proposed system; and whether only communications system suppliers with established companies in Hong Kong would be allowed to tender for the development project of the proposed system. Mr LEUNG and Ms CHAN were concerned whether the development and maintenance of the proposed system would be contracted out through a single tender or separate tenders. Mr MOK enquired about the assessment criteria and relevant weightings of the tender exercise for the proposed system.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC65/18-19(01) on 4 December 2018.]

16. In their consolidated response, SM/EMSD and DD/FEH pointed out that:

- (a) there were about 10-odd contractors on the List of approved contractors for radio electronics installation ("the List") maintained by the Development Bureau ("DEVB"). EMSD would invite contractors on the List to submit tenders and consider whether the tenderers could meet the conditions for developing the proposed system under the formula approach as stipulated in the tender; and
- (b) FEHD would prescribe the requirements concerning the warranty and system nursing periods in the tender document in accordance with the tendering procedures of general government projects, so as to ensure the normal operation of the proposed system after its implementation. However, since only the capital expenditure of the proposed system was included in the funding application, the relevant recurrent expenditure (including the costs of system maintenance and repair after the expiry of the warranty period) was not covered. After the expiry of the warranty period, the repair and maintenance of the proposed system would be contracted out through a separate tender, and the relevant expenses would be paid out of FEHD's recurrent account.

17. Mr Kenneth LEUNG asked whether, apart from contractors on the List, other qualified communications system suppliers could participate in the tender exercise for the present project. He was worried that the bidding process might lack transparency if the project was not contracted out through an open tender.

18. In their consolidated response, Chief Engineer (Municipal), EMSD and SM/EMSD pointed out that:

- (a) the qualifications, financial position, etc. of contractors on the List had already been vetted and approved by the Administration. If there were new approved contractors for radio electronics installation, DEVB would update the List accordingly; and
- (b) at present, tenders for the Government's work projects were no longer awarded merely on the basis of "the lowest bidder wins". Consideration would also be given to the track record of the tenderers (such as their safety records when carrying out works projects).

19. In supplement, Permanent Secretary for Financial Services and the Treasury (Treasury) ("PS(Tsy)) pointed out that under the existing mechanism, any qualified contractor could apply for inclusion in the List. In addition, qualified contractors could also take the initiative to apply for inclusion in the lists of active suppliers or interested suppliers maintained by the Office of the Government Chief Information Officer in order to take part in the tendering of government projects.

Non-recurrent expenditure of the project

20. Mr IP Kin-yuen enquired about the items covered under the cost for new site preparation in the capital expenditure. Ms Claudia MO enquired about the justification for the total contingency provision of close to \$5 million for the proposed system.

21. In their consolidated response, DD/FEH and SM/EMSD pointed out that:

- (a) under the present project, about 200 fixed radio stations/repeaters would be installed on government land or government premises (such as public toilets), so as to ensure that the proposed system could provide more comprehensive and flexible radio coverage. The cost for new site preparation in the capital expenditure was mainly for improving the aforesaid government land and government premises (including the provision of additional power supply points) to facilitate the installation of fixed radio stations/repeaters; and

- (b) taking into account the experience of previous public works projects, capital works projects would generally include a contingency provision of 10% of the total capital expenditure.

22. Dr CHIANG Lai-wan considered that services to be paid by the cost of Electrical and Mechanical Services Trading Fund ("EMSTF") project management services (such as tender evaluation, installation of the proposed system and acceptance test) in the capital expenditure could also be handled by the contractor selected through the tender exercise. She asked why it was necessary for the Administration to pay for such an additional item of capital expenditure.

23. In response, DD/FEH said that after the successful contractor had designed and installed the proposed system as per FEHD's requirements, EMSD would assist FEHD in matters such as monitoring the above works and conducting acceptance tests. Hence, FEHD had made provision for "EMSTF project management services" to meet the cost of professional expertise and services rendered by EMSD for developing the proposed system.

Results of pilots for the new digital communications system

24. Mr AU Nok-hin asked whether the results of pilots conducted by FEHD for the proposed system in 2016 and 2018 had demonstrated how the proposed system could assist the operation of HCTs/HCTFs specifically. Raising similar questions, Mr IP Kin-yuen asked when the results of the 2018 pilot would be presented by the Administration.

25. In response, DD/FEH said that:

- (a) FEHD had launched a specially designed, scaled-down pilot with all the essential features under the proposed system in the Central and Western, Yau Tsim and Sha Tin districts in June 2016. The results of the pilot showed that while the proposed system could significantly reduce the communication blind spots in the districts, other functions such as emergency button and "man-down" were also operable, serving to enhance communication efficiency of HCTs/HCTFs during operations and safeguard personal safety of the frontline staff in emergency situations. Through the said pilot, technical issues had also been identified and solutions worked out for full system rollout; and

- (b) to better try out the communication capability, functioning and reliability of the proposed system at other districts with different topography, building density and environmental factors, FEHD had extended the pilot run to the Southern, Mong Kok and Tsuen Wan districts in mid-2018. It was expected that the results of the extended pilot would be available in November 2018.

Discharge of duties by the frontline staff of the Food and Environmental Hygiene Department

26. Ms Tanya CHAN was worried that with the additional functions provided by the proposed system, the Administration might change the requirements and nature of duties discharged by HCTs/HCTFs. Mr Tony TSE was concerned about the possibility of selective enforcement by HCTs/HCTFs when discharging their duties of hawker control.

27. Ms Claudia MO sought information about the number of hawkers currently under the control of HCT/HCTF officers, as well as the locations of hawker blackspots. Ms MO questioned how HCT/HCTF officers on hawker control duties could judge on the spot that foods sold by the hawkers would affect public health and then proceed to take enforcement actions.

28. Mr CHU Hoi-dick asked whether, apart from HCTs/HCTFs, FEHD would make the proposed system available for use by other law enforcement officers in the department, so as to minimize their risk of injury whilst on duty. He requested the Administration to provide the figures of HCT/HCTF officers who were injured whilst on duty.

29. In their consolidated response, DD/FEH and Acting Assistant Director of Food and Environmental Hygiene (Operations)² stated that:

- (a) the workload and nature of HCTs/HCTFs' work would not be changed as a result of the implementation of the proposed system. The duty of HCTs/HCTFs was to ensure that roads were free from obstruction, and officers on duty would prioritize the taking of enforcement actions according to the established guidelines; for instance, they would, as a matter of priority, handle hawkers causing obstruction at public transport interchanges, selling cooked foods illegally, etc.;

- (b) currently, FEHD handled about 10 000 complaints concerning hawking activities every year. On this basis, the Administration estimated that the number of unlicensed hawkers in the territory was around 1 500 in recent years. As it was stipulated in law that any person selling foods must hold a valid licence, hawkers who sold foods without a licence had contravened the law, and HCT/HCTF officers could take enforcement actions accordingly;
- (c) some hawking blackspots included the areas in the vicinity of World-Wide House in Central, as well as busier streets such as Sai Yeung Choi South Street in Mong Kok and Pei Ho Street in Sham Shui Po; and
- (d) FEHD had all along provided training to its enforcement staff in order to ensure their personal safety whilst on duty. Given the different risks faced by FEHD's enforcement teams, the department would provide them with suitable communications equipment taking into account their job nature and enforcement risks. In the first three quarters of 2018, 2017 and 2016, there were respectively 27, 40 and 44 HCT/HCTF officers who had been injured whilst on duty.

Voting on FCR(2018-19)30

30. There being no further questions from members, the Chairman put item FCR(2018-19)30 to vote. At the request of members, the Chairman ordered a division, and the division bell was rung for five minutes. The Chairman declared that 33 members voted in favour of and 1 member voted against the item, and 4 members abstained from voting. The votes of individual members were as follows:

For:

Mr Tommy CHEUNG Yu-yan	Prof Joseph LEE Kok-long
Mr WONG Ting-kwong	Mr CHAN Hak-kan
Mrs Regina IP LAU Suk-yee	Mr Steven HO Chun-yin
Mr Frankie YICK Chi-ming	Mr YIU Si-wing
Mr Charles Peter MOK	Mr CHAN Han-pan
Mr LEUNG Che-cheung	Mr Christopher CHEUNG Wah-fung
Dr Helena WONG Pik-wan	Mr IP Kin-yuen
Dr Elizabeth QUAT	Mr CHUNG Kwok-pan
Dr Junius HO Kwan-yiu	Mr HO Kai-ming
Mr LAM Cheuk-ting	Mr SHIU Ka-fai
Mr Wilson OR Chong-shing	Ms YUNG Hoi-yan

Dr Pierre CHAN
Ms Tanya CHAN
Mr LUK Chung-hung
Mr KWONG Chun-yu
Mr Gary FAN Kwok-wai
Mr Tony TSE Wai-chuen
(33 members)

Mr CHAN Chun-ying
Mr CHEUNG Kwok-kwan
Mr LAU Kwok-fan
Mr Jeremy TAM Man-ho
Mr Vincent CHENG Wing-shun

Against:

Dr CHENG Chung-tai
(1 member)

Abstained:

Mr CHAN Chi-chuen
Mr SHIU Ka-chun
(4 members)

Mr CHU Hoi-dick
Mr AU Nok-hin

31. The Chairman declared that the item was approved.
32. The meeting was suspended at 5:04 pm and resumed at 5:11 pm.

Item 2 — FCR(2018-19)43

HEAD 156 — GOVERNMENT SECRETARIAT: EDUCATION BUREAU

Subhead 700 — General non-recurrent

New Item — "Injection into the Gifted Education Fund"

33. The Chairman advised that the item sought FC's approval for a new commitment of \$800 million for injection into the Gifted Education Fund ("GE Fund"). The Education Bureau ("EDB") had already consulted the Panel on Education of LegCo on the proposal on 11 May 2018.

Use of funds under the injection proposal

34. Dr Helena WONG, Mr WU Chi-wai and Mr Gary FAN enquired about the planned use of funds by The Hong Kong Academy for Gifted Education ("HKAGE"), subject to FC's approval of the injection proposal.

35. In response, Permanent Secretary for Education ("PS(Ed)") pointed out that HKAGE had planned to use the injected funds to expand the scope and scale of its services, with details as follows:

- (a) currently, HKAGE offered gifted education programmes which were predominantly enrichment in nature. Subject to approval of the injection proposal, HKAGE could offer more advanced level learning programmes to its students; and
- (b) making reference to the experience of overseas countries with fast development in gifted education (such as Israel, Singapore and South Korea), the Advisory Committee on Gifted Education ("ACGE") took the view that the involvement of local post-secondary institutions, non-government organizations and large private enterprises could enrich the provision of services for gifted students. Under ACGE's initial thinking, local post-secondary institutions or other providers of programmes for gifted students could be invited to submit proposals, and outstanding proposals would be selected for implementation through funds under the injection proposal.

36. Mr WU Chi-wai was concerned that subject to approval of the funding proposal, HKAGE would employ additional staff and hence, driving up administrative costs. PS(Ed) advised that while HKAGE might need to employ additional staff to assist in the handling of increasing administrative workload arising from the provision of more advanced level programmes, it was not envisaged that HKAGE's administrative costs would increase substantially as a result. Executive Director, The Hong Kong Academy for Gifted Education ("Executive Director of HKAGE") supplemented that as affective education must cater for the need of individual students, HKAGE would provide support to the students in this regard. It was envisaged that additional staff might be engaged to implement affective education.

Financial arrangement for the operation of The Hong Kong Academy for Gifted Education

37. Mr AU Nok-hin, Mr Gary FAN, Mr IP Kin-yuen and Mr CHAN Chi-chuen held that given the unstable income generated from GE Fund, it was not a suitable funding source to support the operation of HKAGE and the development of gifted education in the long run.

38. Mr IP Kin-yuen and Mr CHAN Chi-chuen suggested that the Administration should instead allocate recurrent funding to support the operation of HKAGE, so that it could be provided with a stable source of operating funds. Mr AU Nok-hin enquired whether consideration had been given by the Administration to raise private donations to fund the operation of HKAGE; and requested the Administration to provide information on the reasons for the lack of public donations for GE Fund. Mr CHAN Chi-chuen asked whether HKAGE had set any private donations targets and conduct fund-raising campaigns accordingly.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC78/18-19(01) on 24 December 2018.]

39. In response, PS(Tsy) said that it was a usual practice for the Administration to set up various funds to secure a stable source of income to support long-term and on-going initiatives which would obviate the need for those initiatives to compete for resources with other expenditure items. Such funds were all set up under delegated authority after thorough discussion, so as to ensure the soundness of the relevant financial arrangements. It was not a matter of idling or withholding the resources to use the investment income of the funds to meet the expenses incurred by such initiatives. As a matter of fact, investment made by the funds could generate investment return to support the relevant initiatives, such that their implementation would not be affected by the Government's fiscal position.

40. PS(Ed) also responded that members of HKAGE's Board of Directors who came from different professions had also helped promote HKAGE, with a view to bringing in private donations. Nonetheless, no private donations had been received so far since HKAGE became an organization wholly funded by the Government in 2016.

41. Dr Helena WONG and Mr AU Nok-hin were concerned about the transparency of HKAGE's financial position. Dr WONG asked how the public and LegCo could monitor HKAGE's financial position. Mr AU was worried about HKAGE's over-reliance on capital injections and suggested that EDB should set a cap on the amount of funds that could be saved up under GE Fund, so as to ensure the proper use of existing resources thereunder for supporting HKAGE. He also requested the Administration to provide a detailed breakdown of the expenditure of HKAGE on staff costs, programme costs and other operating expenses in the past two financial years. Mr Gary FAN suggested that a cap be set on HKAGE's operating expenditure on the basis of the projected investment

income of GE Fund, so that HKAGE would no longer have any cash flow problems. Dr CHENG Chung-tai called on the Administration to ensure the prudent use of resources, so that no more capital injection proposals would be required as a result of HKAGE's expenditure exceeding its revenue.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC78/18-19(01) on 24 December 2018.]

42. In their consolidated response, PS(Ed) and Deputy Secretary for Education (5) ("DS(Ed)5") advised that:

- (a) HKAGE would submit its financial report to LegCo for scrutiny every year, and HKAGE's Board of Directors would be responsible for monitoring its financial position. HKAGE's Board of Directors comprised members including PS(Ed), Deputy Secretary for Education, etc. In addition, HKAGE's annual audited financial reports would be uploaded onto its website for public inspection;
- (b) according to the Administration's assumption, the rate of investment return of GE Fund was in the range of 3.7% to 4.9% per annum. As the proposed injection together with the existing endowment of GE Fund would generate investment income of about \$59.2 million to \$78.4 million, it would be sufficient to support HKAGE's operation in the foreseeable future. Moreover, EDB could also use part of the principal to finance HKAGE's operation under exceptional circumstances; and
- (c) the present injection proposal was made not because HKAGE's expenditure had exceeded its revenue, but because resources were required to support the enhancement of services of HKAGE and to enable different service providers to provide quality advanced learning programmes for gifted students. Since March 2017, EDB had placed the whole endowment of GE Fund with the Exchange Fund for investment. Given the unsatisfactory investment return of GE Fund in the first year, EDB had provided temporary financial assistance for HKAGE in August 2017.

43. Mr Kenneth LEUNG noted that HKAGE was a company limited by guarantee without the establishment of a share capital, and it was necessary

to establish a legal linkage between HKAGE and its funding source (i.e. GE Fund). Mr LEUNG asked what that linkage was.

44. In their consolidated response, PS(Ed), DS(Ed)5 and Principal Education Officer (Curriculum Development)2, Education Bureau ("PEO(CD)2/EDB") pointed out that upon the establishment of GE Fund, it had already been given delegated authority by LegCo, and one of the purposes of GE Fund was to support the operation of HKAGE. PS(Ed) and DS(Ed)5 were members of the HKAGE company as well as directors of HKAGE. At the same time, the Permanent Secretary for Education Incorporated was the trustee of GE Fund.

Staff recruitment and staff costs

45. Dr Helena WONG noted that while 100-odd part-time staff were employed by HKAGE, there were only 27 to 28 full-time staff. She asked whether HKAGE had difficulties in recruiting full-time teaching staff and whether the teaching staff establishment would impact on the programmes offered by HKAGE.

46. In response, Executive Director of HKAGE pointed out that currently, HKAGE could not afford to employ full-time teachers to teach the programmes. At this stage, HKAGE would first identify suitable teachers available for classes on weekends before finalizing the contents of programmes to be offered.

47. Mr AU Nok-hin and Dr CHENG Chung-tai were concerned about the high staff turnover rate of HKAGE. Mr AU requested the Administration to provide information on the measures taken to improve the staff turnover rate of HKAGE, as well as a detailed breakdown of the number of staff of HKAGE (including the number of teaching staff, administrative staff as well as part-time and full-time staff). Dr CHENG noted that while HKAGE's staff costs had increased substantially between 2015-2016 and 2016-2017 (from \$20-odd million to over \$31 million), its staff turnover rate was still on the high side. He asked whether HKAGE had been utilizing its resources effectively.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC78/18-19(01) on 24 December 2018.]

48. PS(Ed) responded that as compared with other education institutions in general, the ratio of HKAGE's staff costs to its total

expenditure was within the normal range (i.e. about 60% in 2015-2016 and 2016-2017; and about an estimated 70% in 2017-2018 and 2018-2019).

49. Executive Director of HKAGE supplemented that as HKAGE's 2016-2017 accounting year was as long as 17 months (i.e. from 1 April 2016 to 31 August 2017), the total expenditure of HKAGE would work out to be higher. He added that the monthly salary of HKAGE staff (including teaching staff, administrative staff, etc.) would not be excessively high as they were remunerated at a level not higher than that of employees at the same rank in EDB and other schools.

Support for gifted students and their parents

Three-tier Implementation Model

50. Mr SHIU Ka-chun considered that EDB's approach of first identifying gifted students by school teachers under the Three-tier Implementation Model ("the Model") was too passive, not to mention that it had also failed to identify and hence support twice-exceptional students/gifted students with special educational needs ("SENs") at an early stage. He and Mr WU Chi-wai enquired about the number of gifted students in Hong Kong according to the Administration's estimation whether reference had been made to the experience of other countries in implementing gifted education and identifying gifted students to ensure early identification of gifted students in Hong Kong.

51. Mr CHU Hoi-dick and Dr Fernando CHEUNG considered that as gifted students would still need to attend whole-class learning as well as pull-out programmes in schools under the Model, they might have difficulty in terms of integration and adaptation into such learning modes. Mr CHU asked whether measures had been implemented by EDB for early completion of school education programmes by gifted students, so that they could develop their potentials outside school.

52. In their consolidated response, PS(Ed), DS(Ed)5 and PEO(CD)2/EDB pointed out that:

- (a) the proportion of gifted students in the total population, as well as the method of identifying gifted students in different countries varied. As far as EDB understood, Israel now identified gifted children through a screening test for giftedness of students at a specific age. However, this approach was not widely adopted in other countries;

- (b) EDB had already developed appropriate tools for teachers' use under the Model. In terms of on-campus support, EDB had provided teachers with relevant training to identify gifted students (including those with different SENs such as dyslexia and autism). Moreover, EDB had organized various professional development programmes for primary and secondary school teachers to equip them with the knowledge and skills necessary for addressing the affective needs of these students. Through the provision of the Capacity Enhancement Grant and the Diversity Learning Grant by EDB, schools were given the flexibility to organize extra-curricular activities and classroom activities respectively for students with different interests and talents. Gifted students identified by teachers in schools also had the opportunity to be nominated by their schools for the learning activities or competitions organized by EDB or to become members of HKAGE;
- (c) educational psychologists and clinical psychologists had been engaged by HKAGE to provide appropriate consultation and guidance services to students in need, as well as affective education; and
- (d) potentials of gifted students varied. Under the Model, gifted students could develop their potentials in a targeted manner through pull-out programmes in schools, while acquiring knowledge in other areas and communication skills through whole-class learning.

Support for parents

53. Mr SHIU Ka-chun asked why the total number of parent programmes organized by HKAGE had been declining from the 2014-2015 school year to the 2016-2017 school year. Mr Holden CHOW enquired about the reasons for the substantial increase in the number of enrolment for parent orientation programmes from the 2014-2015 school year to the 2015-2016 school year (from 967 to 1 907). They were worried whether adequate support had been provided to parents of gifted students.

54. In their consolidated response, PEO(CD)2/EDB and Executive Director of HKAGE pointed out that:

- (a) during the initial stage of HKAGE's establishment, parent programmes which were open to the public had been

organized to enhance the awareness of gifted education in the community. Thereafter, to allow for more effective use of resources, enrolment in parent programmes was limited to parents of HKAGE's students. Most of the parent programmes cancelled by HKAGE were only talks; and

- (b) in the 2015-2016 school year, the number of enrolment for parent orientation programmes had increased due to changes in the procedures and mode of member admission adopted by HKAGE. In that particular school year, HKAGE had first invited students to complete an online test, and students who passed the test would be admitted as preliminary members. HKAGE would then decide whether the preliminary members would formally be admitted as full members depending on their performance in HKAGE. In that school year, there were more preliminary members than full members, and this was also why the number of enrolment for parent orientation programmes had increased substantially.

Programmes offered by The Hong Kong Academy for Gifted Education

55. Dr Fernando CHEUNG and Mr CHU Hoi-dick were concerned whether the contents of programmes offered by HKAGE could attract enrolment by its member students. Dr CHEUNG asked whether the current attendance rates of student programmes offered by HKAGE were still on the low side, and whether HKAGE had examined the reasons for that. Mr Holden CHOW asked whether HKAGE had solicited the views of graduates on the programme contents, with a view to addressing the need of gifted students. Mr AU Nok-hin enquired about the measures taken by the Administration to encourage or facilitate gifted students to enrol in the programmes offered by HKAGE and requested the Administration to provide more detailed information in this regard.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC78/18-19(01) on 24 December 2018.]

56. Executive Director of HKAGE responded that:

- (a) at present, the attendance rates of HKAGE's students had already reached 90% on average. For those students who had not enrolled in any programmes for the whole year, HKAGE would issue a letter informing them that their membership might be cancelled if they no longer took part in

the programmes;

- (b) students were admitted to HKAGE through nomination by school teachers, and programmes offered by HKAGE might not be suitable for some nominated students. Moreover, as the programmes offered by HKAGE were designed to allow the students to acquire knowledge outside the New Senior Secondary curriculum and the Hong Kong Diploma of Secondary Education Examination, the participation of some students and their parents in the programmes might be affected; and
- (c) some HKAGE graduates who were engaged in work related to gifted education had provided views on some programmes offered by HKAGE. When considering the programmes to be offered, the relevant committee of HKAGE had all along received views from representatives of the graduates who had also organized programmes in HKAGE and worked as tutors to provide support to the students. Overall speaking, through its review on the effectiveness of the programmes and observation of the students, HKAGE found that the students' comments on the programmes offered by HKAGE were positive.

57. Mr HUI Chi-fung expressed support for the injection proposal and enquired about the difference between gifted education programmes offered by other service providers and local universities and those offered by HKAGE, and whether such programmes were subsidized by the Government.

58. In response, PS(Ed) advised that gifted education programmes offered by other service providers and local universities were not subsidized by the Government or the University Grants Committee, and they were mostly sustained by the charging of fees. Executive Director of HKAGE supplemented that gifted education programmes offered by local universities were based on academic areas that were familiar to the teachers and hence, the choice of subjects in those gifted education programmes was quite limited.

Voting on FCR(2018-19)43

59. There being no further questions from members, the Chairman put item FCR(2018-19)43 to vote. The Chairman was of the view that the

majority of the members present and voting were in favour of the item, and he declared that the item was approved.

60. The meeting ended at 6:54 pm.

Legislative Council Secretariat
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