

2003.12.3

**Speech by the Hon Mrs Selina Chow Liang Shuk-ye,  
GBS, JP  
Motion Debate on Education Policy, 3 December 2003**



Selina Chow:

Madam President, the Liberal Party has always attached great importance to education and we agree that proper resources should be committed to education. However, attaching great importance to education does not mean that a disproportionate amount of resources should be put into it. In the face of huge deficits, the Government is obliged to review every item of expenditure, but why should the education expenditure be spared? The existing education structure does have a lot of room for streamlining and so it is perfectly possible to reduce expenditure through flexible deployment of resources while maintaining the quality of education. Insofar as this view is concerned, I have noticed that many members of the public also think that the issue of education funding should be considered in this perspective.

The last two value-for-money audit reports on the universities have both drawn the conclusion that there is room for improvement in the financial management of the eight tertiary institutions. For there is a waste of more than \$200 million of public money per annum and there is misuse of earmarked funds close to \$1 billion. The reports also point out that the Education and Manpower Bureau and the former Education Department have wasted nearly \$4 billion on secondary and primary schools over the past couple of years due to their inept planning. The above amounts together account for more than \$5 billion. This when measured against the \$61 billion total expenditure on education this year would take up a very high percentage of the total public expenditure, that is, 8.2%. Even Mr CHEUNG Man-kwong has recently attacked the Education and Manpower Bureau for squandering and wasting public money. Does this not mean that even Mr CHEUNG himself agrees that there is really a lot of room for economizing and "downsizing" in the education sector?

The audit reports compiled by the Audit Commission point out clearly that the average remuneration of professors in Hong Kong is as much as 40% more than their counterparts in Britain, and 16% to 30% higher than those in the United States. As the academic standing of local universities may not be higher than those in other advanced countries and that the cost of living between these places and Hong Kong is largely similar, so what grounds do we have to pay our teaching staff so much more? The Audit Commission also makes the criticism that some of the non-teaching posts on contract terms in our universities carry a remuneration which is 10% to 20% higher than comparable posts in the

Government. For some posts, the end-of-contract gratuities are 15% of the basic salary and that is higher than the 10% found in the guidelines issued by the Bureau of Financial Services and the Treasury. As a result, taxpayers paid an extra amount of more than \$10 million during the period from 1995 to 2002. The remuneration for some posts is extraordinarily high, for example, the Head of Finance in a university is paid as much as \$180,000 a month, and that is higher than the Director of the Treasury in charge of the SAR coffers.

On 19 November, Members may still recall that the Deputy Chairman of the Public Accounts Committee, Ms Emily LAU, spoke on the Supplemental Report of the Public Accounts Committee on Report No. 40 of the Director of Audit on the Results of Value for Money Audits. Ms LAU led the study on the Report because the Chairman of the Public Accounts Committee and some other members had conflict of interest. Ms LAU pointed out clearly that "despite the significant changes in the tertiary education sector in Hong Kong and worldwide, the linkage between the university salary scales and those of the Civil Service in Hong Kong had not been reviewed or revised for over 30 years." She also said, "The PAC agrees with the Audit Commission's view, and is also concerned, that in general, the average salaries of the academic staff of universities in Hong Kong appear to be on the high side, compared to those in other English-speaking countries." She said that "The PAC recommends that the institutions should, in the comprehensive review on their pay structure, pay due regard to the international pay levels for university academic staff... .. The PAC also recommends that all the eight institutions should critically review the current remuneration packages of all their key management staff." This implies that there is some room for review and economizing in this regard.

These examples show that when universities are complaining that funds are insufficient and when some heads of universities even implicate a fee hike, quite a substantial amount of money is senselessly squandered. So amid calls that resources cannot be reduced, the fact is that there is still room for economizing. Which is more unreasonable, reducing the resources or putting up a stubborn fight against the reduction of funding? The Liberal Party does not support pegging funding reduction with the increase in tuition fees. We are of the view that when some heads of universities link the two together, they are just evading their responsibility, that is, ensuring that the utilization of resources in their respective institutions is cost-effective. What they are doing is simply throwing the burden onto the shoulders of students and parents, while continuing to spend on those items that may well be saved. Would that make any sense?

The wastage of resources in the primary and secondary schools does exist and the report made by the Audit Commission at the end of 2002 points out that as it is known that there will be a surplus of 27 000 school places in primary schools territory-wide by 2010, therefore, the

building of schools should slow down to reduce expenditure.

Madam President, the Liberal Party does not agree to arbitrary and unjustified reduction of funding by the Government. But on the other hand, will it imply that education quality will necessarily decline when the Government adheres to the principles of eliminating wastage and enhancing efficiency in order that the unnecessary spending on education can be reduced? We do think that as the Financial Secretary has given Prof Arthur LI, the Secretary for Education and Manpower, a free hand in funding allocation, and if the education sector can make use of their professional judgement and work with the Secretary in economizing so that when money is put to its best use and savings are made where due, then even if education funding is cut, it will definitely not sacrifice the quality of education.

Thank you, Madam President.

---