

**Commission of Inquiry on  
Allegations relating to the HKIEd**

**Third Witness Statement of  
Mrs LAW FAN Chiu-fun, Fanny**

**Introduction**

1. I, Fanny LAW FAN Chiu-fun, former Permanent Secretary for Education and Manpower (PSEM), make this statement in response to Dr Lai Kwok-chan's statement on matters relating to student numbers.
2. Dr Lai's statement covers issues which straddle various divisions of the Education and Manpower Bureau (EMB). Since the officer in charge of formulating the teacher education provision for the 2005-08 triennium has retired, and since I was the PSEM at the material time, I have taken on the responsibility for this coordinated response. On detailed workings of the manpower requirement projections, I have to rely on the input from colleagues.
3. I shall respond to Dr Lai's statement in three parts covering the "all graduate, all trained" policy, the methodology for projecting teacher demand, and student numbers for the 2005-08 triennium.

**A. "All graduate, all trained" Policy**

4. The Chief Executive mentioned in his inaugural address in 1997 that "in the foreseeable future, all new teachers....should have a degree and received teacher training". This is a vision statement.
5. In his first Policy Address, delivered in October 1997, the CE announced that the UGC and the Advisory Committee on Teacher Education and Qualifications (ACTEQ) would study the timetable and the means needed to achieve an "all graduate, all trained" teaching force.
6. The two committees submitted their reports to the Government in early 1998 and the subject was discussed by the Education Commission on 18 December 1998.

Relevant extract of the minutes of meeting is in Annex A.

7. To achieve the policy objective, it would be necessary to expand pre-service teacher education, and upgrade serving teachers. Assuming an "all graduate, all trained" teaching force by the 2008/09 school year, it was estimated at the time that expansion of pre-service teacher training would cost \$1.2 b over two triennia (i.e. 1998-2001 and 2001-04). Upgrading of in-service teachers would cost another \$65 m.
8. These estimates did not include the additional salary costs for graduate teachers. A ballpark estimate of the additional annual recurrent costs of upgrading all primary and secondary teaching posts over and above the prevailing targets (35% and 70% respectively) was \$2 b.
9. Given the significant financial implications and an unprecedented economic adjustment at the time, the Administration recommended that, *as a major step towards requiring new entrant teachers to be trained graduates, HKIEd's sub-degree pre-service teacher training places (about 2,400) should be progressively upgraded to degree or post-graduate levels. The aim was to complete the exercise by 2003/04.* Furthermore, untrained teachers would be required to undergo in-service teacher training as a condition of promotion and progression over a salary bar.
10. On 7 October 2002, ACTEQ<sup>1</sup> discussed the contemporary demands on teachers and the sources of supply of new teachers. The "all graduate, all trained" policy was also discussed at the meeting. Members considered that *the "all graduate, all trained" policy should be re-defined in order to allow untrained teachers with good academic background to join the teaching profession.* These graduate teachers, however, should be required to receive initial teacher training within, say, two to three years.
11. At the same meeting, ACTEQ received a presentation by the Working Group (the WG) on Teacher Supply and Demand and noted that there would be an overall surplus of teachers after 2004. Members therefore recommended that *more in-service rather than pre-service teacher training should be provided in view of the increased demand on teachers arising from the curriculum reform.* This recommendation was reflected in the allocation of student places for the 2004/05

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<sup>1</sup> Dr Lo Mun-ling of HKIEd is a member of ACTEQ, appointed on an ad personum capacity.

rollover year and 2005-08 triennium. Minutes of the meeting are in Annex B.

12. In summary,
  - (a) the Administration is committed to the "all graduate, all trained" policy;
  - (b) due to budgetary constraint, the Administration had adopted a pragmatic and progressive approach in implementing the policy;
  - (c) as a major first step, the sub-degree pre-service courses of HKIEd were upgraded to degree or post-graduate levels and completely phased out by 2004/05;
  - (d) new teachers were required to undergo teacher training as a condition of promotion and progression over a salary bar; and
  - (e) more part-time postgraduate teacher training were provided to enable serving teachers to be professionally trained.

#### **B. Methodology for Teacher Demand Projection**

13. In January 2002, ACTEQ decided to set up the WG to study the supply and demand of teachers, and formulate measures to reconcile mismatches between teacher demand and supply. The WG was chaired by a Deputy Secretary of Education and Manpower and comprised primary and secondary school principals, a human resource professional, a senior statistician, academics and representatives of UGC and relevant divisions of EMB. Dr Lai Kwok-chan was a member. The WG met nine times between February and December 2002 and was disbanded on completion of the tasks.
14. The methodology for the projection of "overall teacher supply and demand" and "supply and demand by Key Learning Areas (KLAs)" is the outcome of discussion in the WG. In addition to demographic data, other factors, including teacher wastage and new policies with staffing implications are also taken into account in the manpower projections. A description of the methodology for projecting the overall demand of teachers, and the underlying assumptions and parameters, including policies with manpower implications for the 2005-08 triennium, are set out in Annex C.
15. Dr Lai took issue with the methodology and submitted his "Comments on the Methodologies of Estimating Teacher Demand and Supply" (Appendix II to Dr Lai's statement) to UGC in December 2002. On the demand side, he

considered that the projections should make provision for possible new policies with manpower implications, such as small class teaching. On the supply side, he suggested that re-joined and displaced teachers should be disregarded. The combined effect could be gross over-supply of teachers. Dr Lai welcomed "the Government's efforts to make available projections of demand/supply by subject areas", but cautioned that the projections should be taken as broad indicators. EMB's response is in Annex D.

16. In the triennial funding exercise, EMB advises on the global teacher education requirements by programme, level and Key Learning Areas (KLAs) whereas UGC decides the allocation of student numbers among teacher education institutions (TEIs). EMB is not informed of the actual allocation by institution.
17. In summary,
  - (a) the methodology for teacher demand projections was developed by a WG with representation of frontline educators and academics, and was endorsed by ACTEQ;
  - (b) the projections have taken account of existing and known policies with manpower implications but, as a matter of financial discipline, cannot include yet-to-be-determined policies;
  - (c) it is acknowledged that there are limitations to manpower projections, hence the projections on demand by KLAs are indicative and for reference;
  - (d) where necessary and appropriate, TEIs are given flexibilities to redeploy student numbers between programmes and KLAs through discussion among UGC, TEIs and EMB.

#### **D. Student Numbers for the 2005-08 triennium**

##### *FYFD*

18. The overall teacher demand projections for the 2005-08 triennium were based on the 2001-based population projections, updated in September 2003. In a nutshell, primary student population was expected to stabilize or increase slightly by 2011/12, with a corresponding increase in demand for new teachers. EMB therefore proposed a staggered and significant increase in the provision of BEd (Primary) places between 2005/06 and 2007/08, totaling 1330 places over three

years which was reflected in UGC's Start Letter dated 21 January 2004.  
[U2/57-0170]

19. The UGC considered the teacher education requirements at the January 2004 meeting and the Chairman wrote to SEM on 14 January conveying Members' concerns, and made a number of counter-proposals. [EMB3/62-0239]
20. A meeting was held between EMB and UGC on 20 January at which EMB accepted UGC's proposals to (a) maintain the overall provision of FYFD places at 700 per annum; (b) level the FYFD places across the three years of the triennium; (c) make use of pre-service PGDE programmes to meet fluctuations in teacher demand. [EMB3/63A-257-1]
21. As a result of the leveling of places across three years, the FYFD primary places were reduced to 1050, or an average of 350 fte per annum. Nonetheless, this is still higher than the provision in 2004/05, which was 279 fte.
22. On 19 February 2004, the then PSEM met with all the TEIs to discuss the teacher training requirements. At the meeting, it was agreed that TEIs should have the flexibility to redeploy student numbers between FYFD and PGDE, between FT and PT PGDE, and between the KLAs. Institutions could also deploy the PGDE numbers for "2+2" or "early entry PGDE" programmes. [EMB3/65-0262]
23. EMB had no knowledge of the distribution of student numbers among TEIs. The allocation of student numbers for the joint degree programme with other institution, and the cuts in FYFD and full-time PGDE secondary places for HKIED were entirely UGC's decision with no consultation with EMB.

#### *Projections by KLAs*

24. The projections by KLAs aim to minimize mismatch between the supply and demand of teachers. Notwithstanding the overall surplus of primary teachers, there was an acute shortfall of language teachers, in particular English teachers. The situation was exacerbated by two factors. First, serving English teachers were required to meet the language proficiency requirement by the end of the 2005/06 school year, and we expected some teachers might not make it.

25. Second, the Standing Committee on Language Education and Research recommended in June 2003 that starting from 2004/05 school year, new language teachers should hold at least a BEd degree majoring in the relevant language subject, or both a first degree and a PGDE majoring in the relevant language subject. Those who do not have the recommended qualifications should acquire them within 3-5 years. This puts pressure on the provision of more training places for language teachers.
26. With the overall FYFD places remaining at 14,500, the increase in provision for language teacher training inevitably had to be at the expense of other KLAs. Given widespread community concern about the language proficiency, in particular English proficiency, of students, the Administration must respond as a matter of priority.

#### *Early Childhood Education*

27. As the 2000 policy target of upgrading the then serving kindergarten principals and child care centre supervisors to the Certificate level by the end of the 2005/06 school year was largely fulfilled, the student number for in-service Certificate in Early Childhood Education was reduced from 369 in 2004/05 to 200 for the 2005-08 triennium. The Administration undertook to review the policy in 2005/06 school year. In the absence of new policy targets, EMB could not justify additional training places.
28. The zero provision of in-service Certificate of Education (Early Childhood Education) places in 2007/08 arose out of mis-communication within EMB. The problem was rectified soon after it was brought to light, and 200 places were re-instated.
29. The reason for not continuing to provide in-service Qualified Kindergarten Teacher (QKT) training places was because the target of upgrading all serving kindergarten teachers to QKT level had been achieved by 2004/05. The next target would be to upgrade kindergarten teacher to the Certificate level. This was considered in the overall review of pre-primary education which commenced in mid-2005.
30. It has to be appreciated that in early 2004, EMB was struggling to find savings to meet the FS's requirement to deliver 11% savings by 2007/08. An internal

financial projection showed that there would be a deficit of up to \$2,404 m by 2007/08. A paper on "Operating Expenditure Forecast 2003/04 to 2007/08" is in Annex E.

31. In January 2004, the Education Commission was informed of the dire budgetary situation and consulted on whether any of the education initiatives should be shelved or deferred. However, Members advised that there should not be any reduction in expenditure on school education, and the education reform should proceed as planned. Thus, EMB had to look elsewhere for savings to meet the FS's target. Minutes of the meeting are in Annex F.
32. Against this background and having regard to a strong demand for upgrading of pre-primary teachers, EMB undertook to maintain the same level of investment in early childhood education for the 2005-08 triennium as in 2004/05. To maximize the training provision, EMB invited tenders for in-service Certificate in Early Childhood Education places. The "notional savings" from the reduction of 169 places at the HKIEd (see para. 27 above) ended up with 760 training places through competitive bidding, of which 120 places were awarded to the HKIEd.

*Professional upgrading courses*

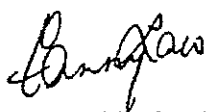
33. In 1999, at a Coordination Meeting between the former ED and HKIEd, the former Director of HKIEd disclosed its plan to seek funding from UGC in the 2001-04 triennium "only for those courses which could be consolidated and upgraded to fulfill the strategic in-service needs of the teachers, and which satisfied the normal UGC funding criteria". For the other in-service courses, they might be offered through commissioning or self-financing mode. [EMB11/15-E-ABO-173]
34. The same message was repeated at the Coordination Meeting in the following year. It was noted that, in the long run, the PUC would move towards a self-financed mode. [EMB11/15-E-ABO179]
35. At the regular meeting between HKIEd and EMB on 31.3.2003, the UGC representative pointed out that it might not be appropriate for in-service non-award-bearing training programmes, such as the PUCs, to continue to be funded through the UGC in the 2005-08 triennium. [EMB/11/15-E-ABO193]

36. Against the background of the policy intention articulated by HKIEd and UGC, and having regard to the demand for more diverse forms of in-service training (e.g. mathematics education and building learning communities of primary teachers), prevailing budgetary constraint, and HKIEd's track record, including student enrolment and its willingness to revamp the PUCs, EMB recommended to UGC that HKIEd should continue to run PUC but at a reduced scale of 350 fte in the 2005-08 triennium. Accordingly, HKIEd put in a bid for 350 fte in its Academic Development Programme.

*Non-provision of Senior Year Places to HKIEd*

37. The allocation of senior year places was UGC's decision. The criteria for allocation of these places were explained in the Chairman's letter dated 7 May 2004. [U2/85-0354]. The decision not to allow senior year places to be put towards manpower planning areas in which the Government did not see any increase was also taken by UGC.
38. In Summary
- (a) EMB advises on the global student numbers, whereas UGC decides on the allocation of student numbers among TEIs, including FYFD, PGDE and senior year places;
  - (b) the reduction in the overall provision of FYFD primary places from 1330 to 1050 was in response to UGC's request. At this level, the provision is still higher than that in 2004/05;
  - (c) the significant increase in the provision for English language places is in response to new policies and community aspirations;
  - (d) the overall provision of in-service Certificate in Early Childhood Education places increased as a result of competitive bidding;
  - (e) the reduction in PUC places was in line with declared policy and had regard to the diverse demand for in-service teacher training.

Dated this 11<sup>th</sup> day of April 2007.



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23 April 2007

Commission of Inquiry  
Room 703, 7/F, Lippo Centre, Tower II  
89 Queensway  
Hong Kong  
(Attn Mr Esmond Lee)

Dear Sir,

**Commission of Inquiry on Allegations relating to  
the Hong Kong Institute of Education**

I refer to my third witness statement dated 11 April 2007 and would like to elaborate on the last sentence of paragraph 16 as follows:

“EMB is not informed of the actual allocation by institution, until the Chairman of UGC submits the final recommendations on recurrent grants to the Administration. The indicative student number targets are broken down by institution and level, i.e. sub-degree, FYFD, undergraduate senior year places, taught postgraduate and research post-graduate. The Administration accepted the UGC’s recommendations on student number targets in full for the 2004/05 rollover year and the 2005-08 triennium.”

Thank you for your attention.

Yours sincerely,



LAW FAN Chiu-fun, Fanny

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