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*A Jesuit Secondary School*



## Exploration Exercise on Adopting DSS

Round 2 Consultation Report - Analysis and Responses to  
“Open-ended Comments”

Commissioned by the Jesuit Education Board

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## Chapter 1 – Backgrounds

### A. Summary and reporting of stakeholders' opinions and feedbacks

All comments under the Open-ended question were classified and grouped under the following categories:

<b>1. Rationale for turning DSS</b>
a. Vision
b. Learner Diversity and EMI Status
c. Resources
d. Other concerns
<b>2. Key features of the proposed DSS model</b>
a. School fee and fee remission
b. Admission policy
c. Learning & teaching and student development
d. Financial model
e. Other concerns and suggestions
<b>3. PUAWYPS - quotas to be reserved if WYHK turns DSS</b>
<b>4. Others</b>

The following chapters report on the salient comments and concerns expressed and the school's analyses and responses.

## Chapter 2 – Rationale for turning DSS

### A. Vision

*(1) Comment: DSS prevents the poor from enjoying Jesuit education*

This concern relates to both financial ability and psychological barrier.

Response: A DSS-WYHK will be operated on the principle that “no student should be prevented from being admitted solely because his family cannot afford it”. Ten measures as explained in Section 5.2 and fee remission schemes suggested in Section 5.3 of the Revised DSS Proposal of WYHK (“RP”) were proposed to address concerns of different sorts. The school is confident that with these measures, we can attract more students who are able, yet less well-off, students to apply for places in a DSS-WYHK. On the other hand, by remaining in the aided system, the school is not able to provide as many admission opportunities to poor, yet able students. Please refer to Chapter 2, Section 2.1 of the RP.

In other words, the DSS model proposed eliminates both the institutional barriers and the financial barrier for less well-off students to be educated at WYHK.

*(2) Comment: The system of DSS is unjust*

One important reason behind this argument is that most schools in Hong Kong are aided schools which enjoy less flexibility and have less resources. DSS is seen as unfair to these schools.

Response: Benefits of students in enjoying unique and high quality Jesuit education should be the primary objective of our school, not the strife to make every school identical to achieve “fairness”. In fact, the objective of the government for introducing the DSS system is to encourage diversity and development of unique educational approaches as well as to provide choice for parents and students. It may also lead to a more vibrant education sector with the good practices derived benefitting Hong Kong as a whole. No school is discriminated against as the DSS is open for application by all aided schools. Different schools operating in different contexts should choose the model that suits them best in terms of their contexts and objectives. While DSS schools enjoy some advantages over aided schools in some aspects, aided schools also enjoy advantages over DSS schools in others, such as more financial security and standardization.

The justice of any system at the SAR level is a very complex matter, and particularly so for the education system. So while each individual is entitled to his/her views based on the aspects of the system they are familiar with or hold dear, it is primarily the responsibility of the government to evaluate the overall merit of the system by aggregating the diversity of views in society and considering them based on the collective and long term good of Hong Kong. Of course, in extreme cases, a system can be seen to be so intrinsically unjust that individual members of society may choose to either boycott this system or even rise up to force a change to this system. The question for us is whether the DSS is something so unjust that warrants these drastic actions or whether we should stick to the primary purpose we have been set up for – to provide the best Jesuit education for primary school students in Hong Kong within the regulatory framework in Hong Kong.

*(3) Comment: WY's reputation will suffer if we change our stance regarding DSS*

The Society of Jesus ("SJ") did decide to refrain from considering DSS in 2008 and this has won the SJ and the two WYs praise among the public. Will a change in tack this time hurt our reputation?

Response: The school and the SJ are here not for our reputations, but rather to provide the best Jesuit education to young people, thereby contributing to a better world. Furthermore, the decision in 2008 was based on the information available, context of, and analysis done at the time. Times and contexts have changed. More information is available, and better ideas have been developed. By stubbornly adhering to the original position solely because of consideration of face, we shall not be setting a good example about learning and growth.

*(4) Comment: PUAWYPS's move to Eastern District (HKE) will automatically enable more poor kids to be admitted to WYHK as HKE has more poor families*

Response: About half of the P.1 places of PUAWYPS are allocated based on a point system that is independent of school Net. As for the half or less students to be admitted through Central Allocation from the school Net based on lot drawing, they will be admitted from POA School Net 14. Primary school Nets are smaller than secondary school

Nets<sup>1</sup> and POA School Net 14 around North Point is arguably the wealthiest primary school Net within the Eastern District. If WYHK would like to widen its net and open up more quotas to poorer districts within the Eastern District (e.g. Chai Wan) as well as outside the Eastern District (e.g. Kwun Tong, Wong Tai Sin, Shum Shui Po, the New Territories, etc.), it needs the flexibility of the DSS.

*(5) Comment: The school should focus on competence, not students' Socio-economic Status (SES), as admission criteria*

Response: Caring for the poor and the marginalized is part of our school vision and that of the SJ. The proposed model of DSS is to (a) open up more F.1 places to all districts, most of which are poorer than Wan Chai and even HKE and (b) actively promote the school to and encourage applications from the poorer districts. However, admission is still based on competence as set out in the admission criteria<sup>2</sup> and this system applies to both rich and poor. The rich will not be discriminated against. This way, the poor will not feel inferior too because they were not given special favour when being considered for admission.

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<sup>1</sup> The secondary school Net of the Eastern District on Hong Kong Island (HKE) is broken down into three primary school Nets. POA School Net 14 is right next to the Wan Chai School Net. It must however be noted that when deriving Net Banding for admission to secondary schools (and to WYHK, being in a feeder relationship with PUAWYPS, in particular), the relevant school Net is the secondary school Net, not the primary school Net, which takes into account academic standards of all students in HKE.

<sup>2</sup> Admittedly, some admission criteria favor the well to do, such as ECA achievements which may depend on family resources for training. The way to tackle this is to limit the quota for admission that takes into account such factors.

*(6) Comment: Whether WYHK students are relatively richer than the Hong Kong average is doubtful*

Response: Please refer to data and exact wordings in Section 2.1 of the RP.

*(7) Comment: Adopting DSS in order to admit more poor kids is a price not worth paying*

Response: There are admittedly shortcomings with the DSS system, just as there are shortcomings with the aided system. Whether the benefits of DSS outweigh its costs, as compared to the aided system, calls for our careful discernment based on our context and how we design our policies to minimize the shortcomings.

*(8) Comment: How can the school continue to uphold its Jesuit vision towards education after it has successfully turned DSS?*

Response: The SJ continues to be the School Sponsoring Body (SSB) of the school after it turns DSS. Vision is the primary concern of the SJ when deciding on whether to turn WYHK DSS. There is no reason to doubt that the SJ will abandon its vision and values after WYHK turns DSS.

*(9) Comment: Why can't the Jesuit vision towards education continue to be upheld even if it becomes a CMI school?*

Response: Proficiency in English has been emphasized at WYHK since Day One. Cultivating students' appreciation of both eastern and western cultures and widening their horizons to see beyond Hong Kong are key elements of our tradition. Developing competent, compassionate, committed leaders with conscience so that they can have a positive and profound impact in society is what we have always been doing throughout the years. If we want to continue our identity, our tradition, and our historical role in Hong Kong, then keeping our EMI status is essential.

*(10) Comment: Charging a fee under DSS means "commoditization of education"*

Response: There can be long debates on the actual meaning and the "evil" of "commoditization of education". The practical issue here may be: parents may regard themselves as "consumers" of educational service (just like, say, paying for dining service), leading to a) their sons being passive recipients of education (rather than active learners who see learning as their own responsibility) and b) parents and sons making unreasonable demands on the school and teachers.

There are indeed stories of some expensive international schools and DSS schools in which principals bend to unreasonable demands of parents, leading to undue pressure on teachers and staff. This is definitely what WYHK wants to avoid.

The fact that WYHK is charging a significantly lower fee than schools of similar standing will take away the pressure to bend to unreasonable parent pressure. The school should also articulate clearly to prospective and current parents its views about parent-school relationship that is conducive to a healthy development of their sons. At WYHK, we believe that if students want to learn well, their own efforts are key. An overly comfortable environment is actually unhealthy for growth. If unreasonable demands of parents and students are routinely being met, we will be ill preparing these students for life and they will suffer miserably when they face the challenges of the workplace as well as personal relationships when they grow up. So basically, parents are not consumers, but collaborators. We need to work together to provide a caring yet challenging learning environment for their sons.

This is not to say the school should ignore reasonable requests. It is only right, and we shall set a good example to students as humble learners ourselves if we listen to our stakeholders and address areas that need improvement. However, the school is fully prepared to lose any student with unreasonable parents who do not agree with our educational philosophy.

*(11) Comment: "Education for all" (有無教類), as understood by the Jesuits, relates to ability, not socio-economic status (SES). WYHK should admit students with a wide spectrum of abilities rather than a wide spectrum of SES.*

Response: Part of the vision of the school is to serve “the poor and the neglected” so we do care about the SES of our student mix. As for ability, while the school has never shied away from educating the academically weaker students, it has never adopted a policy of admitting an academically weaker student over one who is stronger when everything else is the same. It is a matter of fairness when many students are competing for limited school places at Wah Yan. We believe that no matter how strong a student is, there are always valuable lessons to be learnt, from character formation to development of more advanced intellectual skills. Efforts of schools which focus on admitting particularly weak students are laudable but this is not the traditional role of Wah Yan.

*(12) Comment: A certain DSS school in Hong Kong charging about \$20,000 managed to attract a limited number of less well-off students as it spent only 1.58% of its annual expenditure on scholarships and fee remissions in its 2015/16 financial statement. This shows the need for concrete strategies to attract and recruit these students.*

Response: Concrete measures to attract and recruit less well-off students are important and some of them have been provided in Section 5.2 and Section 5.3 of the RP.

As for the seemingly low percentage of only 1.58% of the annual expenditure being spent on scholarships and fee remission by the DSS school quoted, actually, this amount is equivalent to over 11% of the school fee income of the school, meaning that 11% or more<sup>3</sup> of its students enjoy fee remission/scholarships. If we take another DSS school which charges around \$33,000 per year, it used 8.3% of its

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<sup>3</sup> If some students get partial rather than full school fee remission, then the number of students benefitting from the scholarships/fee remissions will be higher than 11%.

annual expenditure on fee remission and scholarship in 2015/16. This is actually equivalent to about 38% of its school fee income, meaning that over 38% of its students were able to enjoy fee remission or scholarships. This is way higher than the 10% mandated by the government.

## **B. Learner Diversity and EMI status**

*(1) Comment: The issue can be solved by improving standards at PUAWYPS*

Response: The issue of excessive learner diversity can be alleviated somewhat with improvements at PUAWYPS but to say that it can be resolved entirely is too optimistic. Efforts at PUAWYPS do matter but it cannot work miracles to significantly narrow the natural spread of innate abilities of students admitted at P.1. Entrance tests or interviews do not apply to admission of students at P.1 in general. Even if PUAWYPS turns DSS and admission interviews are allowed, their desirability, not to mention accuracy, for applicants at the young age of 5 to 6 is debatable.

As for banding of PUAWYPS students (which has important bearings on the EMI status of WYHK), it depends solely on the Pre-S1 test performance of their seniors, not themselves. These Pre-S1 tests do not necessarily reflect students' learning of subject matters that the primary school or the secondary school find important.

There is also the question of whether PUAWYPS should place excessive emphasis on academic studies and training for Pre-S1 tests of their

students in the expense of the non-academic aspects of their students' development solely to help keep WYHK as an aided EMI school and a quota of about two thirds of PUAWYPS graduates to be admitted to WYHK. A healthier alternative might be to turn WYHK DSS so that a more flexible, yet still significant number can continue to be admitted from PUAWYPS and WYHK can still be relieved from the risk of losing its EMI status and the problem of excessive learner diversity.

*(2) Comment: The issue can be solved by improving standards at WYHK*

Response: While WYHK should always be open about ways to further improve its standards, this has nothing to do with its EMI status because this status depends solely on banding of its F.1 admittees and not the performance of its students at the public exam taken at graduation at F.6.

*(3) Comment: The risk of losing the EMI status is overblown. We should not overemphasize the issue of intake quality.*

Response: Firstly, section 2.2 of the RP has given detailed analysis of the situation. The drop in intake quality relating to structural factors has been observed over a few years. There have been ups and downs in this figure over these years, but the average is clearly below those of earlier years. And even for the more favourable years in the last few years, including 2017, none can be compared to the average of the years prior to the most recent few years.

Secondly, regarding the EMI issue, as explained in Section 2.2 of the RP, the risk tolerance is very low for us. And what we are addressing is not

what is happening now, but what may happen in future years when structural factors undergo further changes.

Thirdly, we are not just addressing the EMI issue but also the challenges of excessive Learner Diversity, which is a problem for students of both high and mediocre abilities.

*(4) Comment: The issue can be solved by delinking with PUAWYPS*

Response: While some stakeholders are advocating this option, it implies ending the relationship between the two schools entirely. This is not the option that we plan to pursue at the moment. We are requested by SJ to focus on the DSS option first.

*(5) Comment: It is OK for WYHK to lose the EMI status*

Response: Please refer to Response to Comment A (i) of this Chapter. Also, this does not seem to be the opinion of the overwhelming majority of stakeholders.

*(6) Comment: We can admit the poor through Discretionary Places ("DP") (43 places), there is no need to delink with PUAWYPS or turn DSS*

Response: There are only 43 DP places which are open to applicants from all districts, rich or poor, in Hong Kong. For the sake of fairness and avoidance of labelling the less well-off students as weaker, all applicants are subject to the same criteria and SES is not a standard consideration in the selection process. In fact, using SES as an admission criterion is not really practicable given the short admission period and

the need to verify and compare family income. Thus, there is no way to guarantee that everyone admitted through DP is poor.

DSS can allow the school to open up all places, except those reserved for PUAWYPS, to students from all districts. It is likely that more competent, yet poor applicants will be attracted with more places available. And if it is fairer to have the same set of admission criteria for applicants from all districts, why should we limit this arrangement to just the 43 places?

*(7) Comment: Banding is just a label and labeling students is not Jesuit*

Response: WYHK treats every student it admits as precious individuals, regardless of their ability. We should not and will not judge how valuable a student is based on his banding. However, this is not to say that we should ignore the context – students' background abilities in this case as indicated by their banding – because doing so is to ignore facts which are relevant to finding the most suitable teaching method and learning environment for the student. This is actually not in line with the Ignatian Pedagogical Paradigm and not in the best interest of the students.

Another real consequence for the whole Wah Yan community if we turn a blind eye to the banding of our student intake is that we will be putting our EMI status at risk. Ignoring such key data is a grossly irresponsible act as the EMI status is regarded as of paramount importance to most stakeholders, including PUAWYPS parents most of whom may not choose WYHK if it loses this status. Both WYHK and PUAWYPS will be hurt in the real sense.

*(8) Comment: Why are some EMI schools with feedback arrangements not having the challenges we have?*

Response: Examples quoted can all be explained by one or more of the following:

- (i) The number of classes per level in the feeder primary school is either larger or smaller than that in the secondary school. Either way, the pressure on EMI status will be lowered.
- (ii) The primary school is located in one of the three rich and academically strong nets: Wan Chai, Kowloon City or Central & Western.
- (iii) The linked school is a girls' school. It is well known that banding of girls is higher than that of boys.

*(9) Comment: WYHK wants to admit more able students. It also wants to admit more less well-off students. The two aims are contradictory as there is a positive relationship between family SES and students' achievements.*

Response: The trade-off between SES and achievement may be prominent if we limit the pool from which we admit our students. However, if we allow applications from a much bigger pool – the whole of Hong Kong, then it is much more likely for us to find and admit students who are able and less-well-off.

In fact, our desire to admit more less-well-off students to WYHK is exactly an attempt to alleviate their unfavorable life prospect (as stated in the sad relationship between SES and achievement that perpetuates poverty over generations) by providing quality Jesuit

education as well as access to the social capital of the Wah Yan Community developed over our long history.

### C. Resources

(1) *Comment: WYOFF has been in operation for many years already. Why is it that you suddenly find it necessary to open up new sources of finance in 2017?*

Response: WYOFF has raised over \$100M since its inception. However, subsidy for Small Class Teaching and other programmes of the two Wah Yans now require slightly over \$10M per year and the net balance of funds at WYOFF is only around \$30M as at the end of 2016. We are grateful to WYOFF and all donors who have given so much and we encourage all in the Wah Yan community to support its upcoming fund raising drive. However, given the current financial situation, WYOFF has already resolved to cut significantly its funding to the school from 2018/19 onwards. This will possibly lead to a cut in the number of teaching posts, hurting students' learning, if we do not open up other sources of finance.

Funding based solely on donations is also unstable. Moreover, it is unreasonable that some of the students supported by WYOFF funding actually come from well-off families which can afford to pay for the extra service. It is only because we are an aided school that they do not need to pay their share of the cost because we are not allowed to charge them a school fee.

## Chapter 3 – Regarding the key features of the proposed model of DSS for WYHK

### A. School fee and fee remission

Salient comments received:

(1) *“The fee is on the low side”*

(2) *“The fee is too high”*

Response: Regarding fee level of around \$20,000, there are concerns on both sides. Some think it is too low to provide for stability, flexibility for the school, job security for the staff and sufficient funding for fee remission for the needy. Others stick to the view that once it is fee charging, then the higher the fee, the less chance for the poor to be admitted. Actually, the relatively low fee level is there not because of concern about affordability for the poor (who will be entitled to fee remission – in fact a higher fee can provide more resources for fee remissions) but the concern about formation of an impression that the school is solely for the rich and powerful – this will deter the poor from applying in the first place.

The JEB has resolved that the school should work on the basis of a \$20,000 annual school fee, at “2016/17 dollars”, but we could charge a higher fee (say \$22,000 to \$23,000) for senior forms given there are more subject choices and the average class sizes are smaller. In other words, the fee can be adjusted for inflation in future. Besides, if there is a genuine need, say if the school is running a deficit, then fee revision can be considered.

Salient comments received:

(3) *There are other hurdles that fee remission cannot address. The less-well-off students enjoying fee remission will feel psychologically*

*inferior.*

Response: Regarding psychological barrier of poor students receiving fee remission, one needs to

- a) Ascertain the degree to which poor students hold this view to the extent that they would abandon a place at Wah Yan; and
- b) Consider which value/culture we want to uphold/promote – (i) pride of the individual who does not need others' help, or (ii) love of a community in which there are mutual assistance (as everyone has their moments of weakness – no one is a “superman”), gratitude and the expectation that those who have been helped by others should “pay it forward” so that the sense of community can be extended across generations.

Salient comments received:

*(4) With 25% income devoted to fee remission, will there be sufficient resources for the school? Will full-fee-paying students suffer, with resources skewed towards the poor?*

Response: As for the concern that full-fee-paying students or their parents find it unfair that resources devoted to supporting poor students actually come them,

- a) It must be clarified that most resources supporting poor students come from the government – government direct subsidy fee is over \$50,000 per year and rich students are in fact getting this subsidy from the government too;
- b) It is a matter of whether these parents understand and appreciate the value of instilling in their sons the sense of “community” rather than the sense of “individualism”, that we should actually be grateful (and not proud or frustrated) that we can afford the full fee and to be able to help others in need, and that from time to time, we would also have our moments of weakness during which we also need help from others.

## B. Admission

This section deals with comments regarding admission of non-PUAWYPS primary graduates. Those relating to PUAWYPS graduates will be address in Chapter 5.

### Salient comments received:

- (1) Given your intention to admit more less-well-off students, will poorer students be given special treatments (e.g. bonus marks) in admission? Will this be unfair to more competent, yet richer students?*
- (2) On the other hand, since you need to make the DSS school financially viable, will you favour the richer students who can pay the full fee? How will the school choose between a competent applicant and a poor applicant?*
- (3) Poorer families have less resource to develop their children's non-academic potentials such as music and sports. How can the admission criteria avoid implicit discrimination against them if ECA achievements will be taken into account?*

Response: While it is our desire to admit more less-well-off students, we do not intend to give them special advantage in the admission criteria, such as bonus marks. We intend to do it through more intensive promotion to schools in poorer districts and reducing their psychological barrier towards WYHK through summer courses in our campus. When it comes to the selection process, students' SES is not a factor for consideration, unless everything else is the same, which is rare. So it is fair to all applicants.

Likewise, the school will not favour a rich applicant over a poor one for the sake of collecting more fees. Our financial model is prudent in the sense that

we have already reserved sufficient funds for fee remissions. In fact, stakeholders seem to be more concerned about difficulties of recruiting more less-well-off students. In the unlikely event that there are more poor kids than we have projected, we are confident that the Wah Yan community will rise to the occasion and make donations specifically aimed at helping needy Wahyanites.

Regarding the concern that ECA achievement as a criterion might favour families with the means, our view is that while we shall not ignore entirely consideration of ECA achievement as this reflects our recognition of the importance of whole person development that is much more than academic achievement and classroom learning, we propose to address the dilemma in this way:

- a) A quota will be set for places that consider EAC achievements / potentials, leaving the rest of the places to sole consideration of academic achievements and potentials.
- b) Even for those places which consider ECA achievements, academic achievements and potentials will still make up significant percentages in the total score.

### **C. Learning & teaching and student development**

Salient comments received:

- (1) How can more resources enhance teaching quality and better realization of Jesuit education?*
- (2) How can students' academic standards be improved under DSS?*

Response: The general approach to learning & teaching and student development has already been addressed in Chapter 6 of the RP. Basically, the two broad and related approaches are a) provide students with better attention with smaller classes, more teachers and student support staff; b) provide teachers with more “space” by reducing the tasks and lessons to a more reasonable level, more administrative assistance for non-teaching duties, more formation opportunities through local and overseas training, seminars, visits, exchanges and other experiential development programmes. Additional NET teacher(s) to enhance the English learning environment will also be considered.

As for uniqueness of a DSS-WYHK education, it is ultimately based on uniqueness of the Jesuit education that countless Wahyanites have benefitted from and still feel grateful for. While it is understandable that some stakeholders would like more specific descriptions of strategies, it is worth noting that the DSS exploration has the more fundamental purpose of creating sustained conditions favourable to developing, adapting and renewing educational strategies over the very long run. Educational strategies suitable today may be out of date five, ten or twenty years later. However, our concern is whether we have the flexibility and resources to make timely and needed adjustments when times change, as inevitably they will. The key question is thus whether adoption of DSS would place us in a better position over the long term to endure and thrive despite changes in circumstances by altering the underlying institutional constraints the school is subject to. While we have been sketchier so far in the details of what educational strategies to adopt once WYHK turns DSS, we have made very clear in the RP the core principles of Jesuit education out of which implementation strategies applicable to students across different generations can be developed. This essence of Jesuit education is what we have full confidence in and it is also this belief that has driven us to work so hard to find ways to ensure its sustainability over the very long term at WYHK.

In view of comments received during Round 2 Consultation and the Stakeholders' Survey, more details will be provided in the application document if the school applies for DSS.

Salient comments received:

*(1) The 2017 DSE result is worse than previous years. This implies that the school should focus on learning and teaching, not the DSS exploration.*

Response: The school should always reflect on academic performance of its students regardless of whether they are doing well or badly. We are doing the same with the results of the 2017 DSE results. However, when it comes to explaining the drop in performance in 2017 as compared to 2016, then the only significant change between these two years is not any change in teaching methods or personnel, but rather the intake quality of these two cohorts of students when they were in F.1. This piece of information confirms, rather than refutes, the importance of intake quality, one of the three key issues the school would like to tackle through the DSS proposal.

This is not to say that a school should just focus on managing intake quality. A school should love, and try its best to educate all students being admitted, whatever their abilities. However, when it comes to learning and teaching effectiveness, there is an optimal level of diversity beyond which students of both high and mediocre abilities will suffer.

#### **D. Financial model**

Salient comments received:

*(1) Is a school fee of \$20,000 sufficient to run a DSS school?*

*(2) Do we have sufficient resources to recruit more good teachers? Will*

*our teachers' pay be less than those in the aided sector?*

Response: \$20,000 is surely a modest amount but the financial model as presented in the RP in Chapter 8 shows that we shall have substantially more resources than if we stay in the aided sector, e.g. a gross school fee income of over \$17M or net increase in resources of over \$10M under Scenarios 1 (\$20,000 per year) and 2 (\$18,000 per year) in Table 3 of the original RP and these are arrived at based on rather prudent assumptions.

The additional resources mean that we can hire additional teachers while keeping all the benefits and salary levels of existing teachers unchanged. If we can retain features of the aided schools that are key to provision of job security which may not be provided by other DSS schools, then we will be rather competitive in recruiting and retaining good teachers.

Salient comments received:

*(3) There is a financial gap between current government subsidy under the aided model and that under DSS. Please elaborate on how this can be / has been addressed.*

Response: While the whole DSS system is not introduced by the government to save funding expenditure, for the sake of prudence, we have factored in the possible shortfall in government funding due to the different formula in calculating the funding amount between the two modes (DSS vs. Aided). Details have already been provided in the RP. Please refer to Assumption 3 and footnote 30 of the RP.

Salient comments received:

*(4) Are there spending areas which are covered under the aided mode but not the DSS mode? For example: dangerous slopes, major*

*maintenance work, electricity bill (e.g. the school hall), emergency repairs, teacher relief grant to cater for teachers who need to take long periods of sick leave, etc.*

Response: As for whether there are expenditures that are covered by the government under the aided mode but not under DSS, the answer is “no” because as mentioned, the government is not trying to cut spending through DSS. Of course, due to the different formulas to calculate the actual funding amount, there can be discrepancies (which can mean that a DSS schools receives more or less government funding than is aided counterpart). As mentioned in an earlier paragraph, this discrepancy has been factored in in our financial model. Specifically, for the examples quoted, some are covered on an actual cost basis and some on an All-HK-average cost basis included in the per student subsidy amount. For electricity bill, the school has to bear the risk of the actual amount regardless of whether it is a DSS school or an aided school. Things like maintenance of trees (and we have a lot), they are not covered even under the aided mode, and only if we are a DSS school that we can charge a school fee to cover it. For example, the cost to trim or remove dangerous trees (our legal obligation) since August this year amounts to \$37,000 and it has to be paid for by our private funding even though we are an aided school.

Salient comments received:

*(5) There is a rumour that a certain DSS school with similar background to WYHK is charging over \$30,000 and it still runs into a deficit. Can WYHK make ends meet?*

Response: For the rumour quoted, we need to look at the facts. While this school might well have had deficit “budgets”, the claim that it has run into

deficits in reality is not supported by evidence. Based on the financial reports for all the years available from its website, it has been running a surplus. In the latest report for the year 2014-15, it is shown that it has accumulated a total surplus of 2 months' expenditure. Its annual overall expenditure (based on schools of a similar size) is estimated to be around \$60M to \$70M<sup>4</sup> so a surplus of 2 month expenditure is about \$10M to \$12M.

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<sup>4</sup> Based on its financial summary of 2014-15, the DSS received from the government is 77% of its total income. Average government subsidy per student is about \$60,000. As it has 5 standard classes per level, and assuming attritions in senior forms, the approximate student population is 1,000. With these numbers, we can estimate that the total income for 2014-15 was  $(\$60,000 \times 1,000) / 0.77 = \$78,000,000$ . With a surplus of one month expenditure, we can estimate that total annual expenditure to be  $\$78,000,000 \times 12/13 = \$72,000,000$ . Thus the monthly expenditure is estimated to be \$6,000,000.

## Chapter 4 – PUAWYPS - Quotas to be reserved for PUAWYPS graduates

### Salient comments received:

*(1) WYHK should maintain the quota of 79 (or even adopt the through train model of admitting all PUAWYPS graduates) if it turns DSS. The attractiveness of PUAWYPS will be adversely affected if the quota is cut.*

Response: The approximate size of the graduating cohort has dropped from 160 to 120 since 2014. Based on the proposed new quota arrangement in the RP, the top 55 to 80 students will be admitted. This represents about 46% to 67% of the 120 graduates since 2014. This percentage is not very different, and could even be better than, the situation in 2013 or before as in those years, 79 represents around only 49% of the 160 graduates.

To ease the concern that PUAWYPS is moving to North Point in 2018, a total of 9 years of transition has also been proposed, three more years than is mandated by EDB guidelines.

With various uncertainties being cleared, both schools' attractiveness will be intact. Greater flexibilities and additional resources through DSS will enhance the quality of education at WYHK. This will imply lasting positive impact on PUAWYPS, being the only school in Hong Kong with a significant quota for admission to WYHK.