

Ed Dept
Finance in govt

\$400m cuts to increase class sizes

THE Education Department will have to identify savings of about \$400 million in the three years beginning 1992-93 as part of the Government's austerity drive.

The Secretary for Education and Manpower, Mr John Chan Cho-chak, said the savings, aimed at scaling back projected growth in recurrent expenditure, would not be available for redeployment within education or other areas.

Mr Chan said the savings were expected to be achieved through the plan to expand class sizes from 38 to 40, and to reduce the number of classes and the costs of publicly funded schools.

Educationists yesterday vowed to oppose the proposal to cut expenditure and plan to meet the Director of Education, Mr Li Yuet-ting, tomorrow.

Unlike an earlier savings exercise, when the introduction of means tests for the Student Travel Subsidy Scheme achieved savings of \$170 million, which was redeployed for education use, the current proposal does not envisage channelling

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back funds into education services.

Mr Chan told Legislative Councillors that the justification for introducing the measure was budgetary.

"The fundamental principle governing the planning and control of public expenditure is that, over a period of time, the growth rate should be no greater than the trend growth rate of the economy," said Mr Chan.

"We are now facing a period of relatively low economic growth. This in turn has imposed constraints on the rate at which government spending can increase."

Against this background, the Government as a whole had to produce savings of 2.6 per cent of projected recurrent expenditure by 1994-95, he said.

In line with this direction, the Education Department had been asked to produce savings of \$406.4 million over the three years beginning 1992-93.

It is estimated that the savings will amount to \$51.4

million in 1992-93, \$141 million in 1993-94 and \$214 million in 1994-95.

The total budget for the department in the current financial year is \$10.7 billion.

The Education Department estimates that about 860 teachers will be hit by the proposed reduction in the number of classes, but that there will be no redundancies because the moves can be absorbed by the overall demand for teachers.

Mr Chan said the Government had consulted schools councils, teachers' unions, Omelco's education panel and the Board of Education about the plan.

Legislative Councillor and chairman of the Professional Teachers' Union, Mr Cheung Man-kwong, said the union strongly objected to any proposal to cut education expenditure and would meet the education chief, Mr Li, tomorrow.

Mr Cheung said the proposal would undermine the quality of education in primary and secondary schools.