

**To:** jon06sa@yahoo.com, secretary@nesta.hk  
**Cc:** info@nesta.hk, pbayer@netvigator.com, SED OFFICE/EDB/HKSARG@EDB  
**Bcc:**  
**Subject:** Letter to the SED from NESTA Chairperson, John Saket  
**From:** WS CHAN/EDB/HKSARG - Friday 29/08/2014 20:30

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**To:** Mr Al-Saket Mohammad Ibrahim,  
Chairperson, Native English Speaking Teachers' Association (NESTA)

**Re: Unfair Implementation of Revised Special Allowance Rate for NETs**

Dear Mr Al-Saket,

Thank you for your letter of 21 August 2014 to the Secretary for Education (SED), expressing the views of NESTA on the 2013 Review of Special Allowance (SA) under the NET Scheme. I have been authorized by the SED to reply to you on his behalf.

We note your concerns on the application of the new SA only to those eligible Native English-speaking Teachers (NETs) who will enter into new contracts in the 2014/15 school year. In addition to the background information on the approved mechanism of SA Review provided in our email dated 14 August 2014, we would like to take this opportunity to further explain the mechanism in response to the issues stated in your above letter. We hope that with our clarification, you would understand that the established mechanism endorsed by the Panel on Education in 2003 and the Finance Committee of Legislative Council (LegCo) in 2005 is fair and reasonable. For the 2013 SA Review, it is in full compliance with the mechanism, and we would like to reiterate that as gatekeeper to public money, the EDB is obliged to follow the established mechanism in monitoring the implementation.

On fairness and equality for all NETs

All along, the EDB attaches great importance to the cooperation with NESTA and other stakeholders on various issues of the NET Scheme. In the 2013 SA Review, after taking into consideration the views of NESTA and other pertinent factors, a full increase of SA was approved. We have already prudently examined the host of factors but were unable to establish convincing justification, like the special circumstances on some past occasions, for applying the revised SA rate to all NETs concerned regardless of the contractual term of fixing the SA rate over the two-year contract period. To conform with the LegCo's approved mechanism, the EDB is obliged to apply the revised SA to NETs entering into new contracts in the 2014/15 school year. For NETs who will enter into new contracts in the 2015/16 school year, they will receive the prevailing SA rate upon the signing of a new contract or renewal of contract, or a new rate subject to the next round of SA review under the approved adjustment mechanism.

In fact, given the SA is subject to upward or downward adjustment, the approved mechanism that the SA being fixed over the contract period provides some certainty for those who are in the middle of the contract and is applicable to all NETs. For example, when the SA was adjusted downward from \$13,000 to \$10,500 per month

in the 2004/05 school year, NETs who were in the middle of their contracts were unaffected and received their original SA rate of \$13,000. Taking a comprehensive view of the matter, we believe that the approved mechanism is implemented in a fair and just manner.

#### On rewarding NETs for their service to the NET Scheme

As you are aware, the SA is provided for subsidizing primarily the housing expenses of eligible NETs whose normal place of residence is outside Hong Kong regardless of their years of service. However, Retention Incentive (RI) is provided to eligible NETs for their satisfactory completion of at least two years of continuous service. Apparently, the nature, purpose and target recipients of SA and RI are defined differently. Besides, since the introduction of RI in the 2005/06 school year, the attrition rates of NETs have dropped considerably and remain stable in recent years. As such, we can say that RI has effectively rewarded the experienced and committed NETs, and served its purpose of retaining qualified and experienced NETs in the NET Scheme. We trust you would share with us that, apart from a competitive remuneration package, to retain NETs in the Scheme, it is equally important to enhance their sense of achievement and satisfaction in their work. In this regard, the EDB is most willing to continue our cooperation with NESTA in improving the job satisfaction of NETs.

#### On following precedents

As mentioned above, the 2013 SA Review is in full compliance with the approved mechanism on SA adjustment. The contractual term that the SA rate is fixed over the contract period has been adopted in the NETs' contract since the 2004/05 school year. The EDB has never changed the contract terms and wording on SA. In the past when the increased SA rate was applied to NETs in the middle of their contracts, the EDB had indeed exercised its discretion to provide the NETs concerned a benefit more favourable than that provided under the contract after due consideration of the individual merits of each unique situation. For the avoidance of doubt, please note that such unique situations would only be relevant to the SA review in the specific years and should not be taken as precedents in any SA review thereafter. For instance, there was a downward adjustment in SA in the 2004/05 school year and the revised SA was applied to all NETs on compassionate ground in the 2005/06 school year. In the 2008/09 school year, the upward revision of SA was capped at 10% instead of a full increase of 17.8% due to economic downturn, the revised SA was applied to all serving NETs. Moreover, noting that the SA was frozen in the 2009/10 school year though there was an average rental increase of 17%, and with other relevant factors considered, the revised SA in the 2011/12 school year was applied to all NETs. Nevertheless, we wish to reiterate that under the established mechanism, each SA review is an independent exercise. The EDB would consider a basket of factors comprehensively in conducting the annual review in a fair and just manner. The application of revised SA rate to all NETs in a particular review should be seen as an exception rather than a rule.

We would like to take this opportunity to express our sincere gratitude to NESTA in keeping a close communication with us and conveying the views of NETs on the SA Review. We earnestly hope that the relevant questions raised in your above letter

have been clarified.

If you have any questions, please contact Ms Priscilla CHAN on 2892 6495 or Ms Anne HO on 3540 7435.

Yours sincerely,

( WS CHAN )  
for Secretary for Education

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From: "Perry Bayer" <pbayer@netvigator.com>  
To: <sedoffice@edb.gov.hk>  
Cc: <puiyingchan@edb.gov.hk>  
Date: 21/08/2014 11:10  
Subject: Attn. Vivian Li: Letter to the SED from NESTA Chairperson, John Saket.

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Dear Vivian,

I am forwarding this letter from NESTA Chairperson ,John Saket, to the SED. If you could pass it on please.

Priscilla, I am cc'ing a copy to you for your reference.

Any written reply can be sent to : [secretary@nesta.hk](mailto:secretary@nesta.hk) . I will pass it on.

John Saket, the NESTA Chairperson's mobile phone number is 6594.9835.

Thanking you

Yours sincerely

Perry Bayer ( Mr )  
Secretary  
NESTA



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