

**Professor Arthur K C Li, GBS, JP**  
**Secretary for Education and Manpower's**  
**Speaking Note at the**  
**Special Meeting of Finance Committee to examine**  
**the Draft Estimates of Expenditure 2005-06**  
**held on 12 April 2005**

Chairman,

The total expenditure for the two policy areas of education and manpower development for the financial year 2005-06 is estimated at about \$60 billion, comprising recurrent expenditure of \$49.6 billion and non-recurrent expenditure of \$10.4 billion.

### **Education**

2. On education, the total expenditure for the new financial year will be about \$58.2 billion, accounting for 23.5% of total Government expenditure and representing an increase of 4.4% as compared with the revised estimate for 2004-05. Of this total, \$48.7 billion or 84% is recurrent in nature. The growth in recurrent expenditure is 6.9%.

3. As in previous years, education remains the largest spending area of the Government, both in terms of total expenditure and total recurrent expenditure. Its percentage share has also increased.

4. During 2005-06, we will continue to implement our various policy commitments of strengthening support to schools and teachers. Specifically, we will -

- provide additional resources to public sector primary schools to improve the teacher-to-class ratio, with a view to relieving teachers' workload and facilitating specialized teaching, thereby enhancing the effectiveness of students' learning;
- provide additional professional upgrading courses to enhance teachers' professional knowledge and capabilities, and implement school-based professional support programmes to enable teachers to put principles into practice;

- strengthen language teaching and student guidance to enable whole-person development of our students; and
- seek to reduce inter-generational poverty in line with the Government's overall policy objective and, in collaboration with schools, introduce school-based after-school learning and other support services for needy students.

5. Looking ahead, the '3+3+4' academic structure reform will be the main focus of the education sector. We are finalizing the implementation plan in the light of the comments and feedback received during public consultation concluded recently. We will announce the details in the second quarter of the year.

### **Manpower Development**

6. The total expenditure on manpower development for 2005-06 will be about \$1.8 billion. The increase over the revised estimate of 2004-05 is mainly due to the additional expenditure for reimbursement of course fees under the Continuing Education Fund.

7. We will continue to implement the various initiatives in 2005-06, including the Continuing Education Fund and Skill Upgrading Scheme, for meeting the manpower development needs of the community. We will also set up Industry Training Advisory Committees by phases to develop a competency-based qualifications framework for different industries, and amend the Hong Kong Council for Academic Accreditation Ordinance to empower the Council to perform the quality assurance role.

8. Chairman, my colleagues and I will be happy to answer questions from Members.