

**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 2006-07**  
**on 14 March 2006**

**Chairman,**

The total expenditure for the two policy areas of education and manpower development for the financial year 2006-07 is estimated at about \$58 billion, comprising recurrent expenditure of \$48.8 billion and non-recurrent expenditure of \$9.2 billion.

**Education**

2. On education, the total expenditure for the coming financial year will be about \$56.5 billion, accounting for 23% of the total Government expenditure and representing an increase of 1.6% as compared with the revised estimate for 2005-06. Of this total, \$47.9 billion or 85% is recurrent in nature. The growth in recurrent expenditure is 7.1%.

3. As in previous years, education remains the largest spending area of the Government, both in terms of total expenditure and recurrent expenditure.

4. During 2006-07, we will provide additional resources for various policy initiatives to strengthen the support for schools and teachers. Specifically, we will –

- implement specialised teaching in all primary schools with the provision of 0.1 additional teacher per class, effectively achieving the class-to-teacher ratio of 1:1.5 for whole-day primary schools;
- improve the student guidance personnel-to-class ratio from 1 per 24 classes or above to 1 per 18 classes or above;
- provide additional teachers by phases at junior levels of the secondary schools which have admitted Band Three and /or the weakest 10% students; and

- make the second-tranche injection into the Language Fund to strengthen the teaching and learning of English in secondary schools and support the wider use of Putonghua in teaching the Chinese Language subject in primary and secondary schools.

5. To provide a stable working environment for the teachers, we have also decided –

- turning the five-year post of Primary School Curriculum Leader to permanent establishment; and
- making the basic Capacity Enhancement Grant a permanent provision.

6. The new academic structure for senior secondary education and higher education will remain top focus of the education sector. We have already started the preparation for the new academic structure. We will keep a close dialogue with the school sector and the tertiary institutions to ensure smooth implementation.

## **Manpower Development**

7. The total expenditure on manpower development for 2006-07 will be about \$1.5 billion, representing an increase of 6.4% as compared with the revised estimate for 2005-06. The increase is mainly due to a higher level of estimated expenditure for reimbursement of course fees under the Continuing Education Fund.

8. We will continue to implement various initiatives in 2006-07, including the Continuing Education Fund and the Skills Upgrading Scheme, to encourage lifelong learning, so as to meet the manpower development needs of the community. We will also continue to set up Industry Advisory Committees by phases to develop specifications for competency-standards for different industries.

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