

**Replies to supplementary questions raised by Finance Committee Members
in examining the Estimates of Expenditure 2006-07**

**Director of Bureau : Secretary for Education and Manpower
Session No. : 11**

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S-EMB 02	SV25	EU Yuet-mee, Audrey	156	Primary Education Secondary Education Special Education Other Educational Services and Subventions Vocational Education and Training
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SFAA				
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Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
 SUPPLEMENTARY QUESTION**

Reply Serial No.

S-EMB01

Question Serial No.

Head : 156 Government Secretariat:
 Education and Manpower Bureau

Subhead (No. & title) :

SV26

Programme : (2) Primary Education (3) Secondary Education
 (4) Special Education (5) Other Educational Services and Subventions
 (7) Vocational Education and Training

Controlling Officer : Permanent Secretary for Education and Manpower

Director of Bureau : Secretary for Education and Manpower

Question : The Administration to provide the respective percentages of Gross Domestic Product (GDP) of expenditure on education in Taiwan, Japan, South Korea, Singapore and Hong Kong.

Asked by : Hon. YEUNG Sum

Reply :

Statistics on total public expenditure on education as a percentage of GDP in respect of Taiwan, Japan, South Korea, Singapore and Hong Kong for 2001-02 to 2005-06 are given below –

	2001-02	2002-03	2003-04	2004-05	2005-06 (Revised Estimate)
	%	%	%	%	%
Taiwan ¹	4.46	4.60	4.46	4.49	N.A.
Japan ²	3.6	3.6	N.A.	N.A.	N.A.
South Korea ²	4.9	4.2	N.A.	N.A.	N.A.
Singapore ³	4.1	4.1	3.8	3.5	N.A.
Hong Kong ⁴	4.1	4.3	4.6	4.1	4.0

N.A. – Not available

Statistics quoted above may not be directly comparable as different economies may have adopted different definitions, coverage, methods of data collection and estimation in compiling the statistics. In the case of Hong Kong, the figures include expenditure under the General Revenue Account, Capital Works Reserve Fund and Loan Fund.

Notes

1. “*Education Statistical Indicators*” as per website of the Ministry of Education, Taiwan
2. “*Education at a Glance 2004*” and “*Education at a Glance 2005*” published by the

Organisation for Economic Co-operation and Development

3. “*Education Fact Sheet 2005*” as per website of the Ministry of Education, Singapore
4. Subject to further revision by the Census and Statistics Department
5. Figures refer to the financial year of the respective economy

Signature _____

Name in block letters _____ Mrs Fanny Law _____

Post Title _____ Permanent Secretary for Education and Manpower _____

Date _____ 20 March 2006 _____

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-EMB02

Head : 156 Government Secretariat:
Education and Manpower Bureau

Subhead (No. & title) :

Question Serial No.

SV25

Programme : (2) Primary Education (3) Secondary Education
(4) Special Education (5) Other Educational Services and Subventions
(7) Vocational Education and Training

Controlling Officer : Permanent Secretary for Education and Manpower

Director of Bureau : Secretary for Education and Manpower

Question :

The Administration to advise the amount of unspent provision for the years of 2002-03, 2003-04 and 2004-05, and whether there is any transfer of the unspent provision to finance other items of expenditure and if so, the names of those items and the amount transferred.

Asked by : Hon. Audrey EU

Reply :

The amount of actual unspent provision on education for 2002-03, 2003-04 and 2004-05 and the breakdown for individual categories of expenditure are shown in Annex A. To improve the quality of education, funds had been transferred during the relevant years to finance new non-recurrent or capital education initiatives as shown in Annex B.

Signature _____

Name in block letters _____ Mrs Fanny Law

Post Title _____ Permanent Secretary for Education and Manpower

Date _____ 20 March 2006

Annex A

Education Expenditure in 2002-03 to 2004-05

	2002-03			2003-04			2004-05		
	Approved Estimate	Unspent	Provision	Approved Estimate	Unspent	Provision	Approved Estimate	Unspent	Provision
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
(a) Subventions to schools/ institutions	43,786	2,108	5%	44,658	2,266	5%	42,906*	2,880	7%
(b) Student financial assistance/loans to students/ schools/ institutions	4,781	612	13%	5,157	879	17%	5,755	1,209	21%
(c) Capital works expenditure	6,307	1,411	22%	6,640	684	10%	6,586	1,121	17%
(d) Departmental expenses of EMB and departments under its purview	4,520	478	11%	4,568	697	15%	4,295*	642	15%
Total	59,394	4,609	8%	61,023	4,526	7%	59,542	5,852	10%

* Reflected full year effect of pay-cuts in January 2004 and January 2005.

New initiatives implemented in 2002-03 to 2004-05

	Approved Commitment \$m
1. 2002-03	
a. Grant to the Language Fund	400
b. Accreditation grant to providers of post-secondary programmes	20
Total	<u>420</u>
 2. 2003-04	
a. Matching Grant Scheme for UGC-funded Institutions	1,000
b. Grant to the Early Retirement Ex-gratia Payment Fund for Aided Primary School Teachers	700
c. Grant to support the assessment development and research activities of the Hong Kong Examinations and Assessment Authority	137
Total	<u>1,837</u>
 3. 2004-05	
a. School-based Professional Support Programmes	550
b. Grant to the Language Fund	500
c. Replacement and upgrading of IT equipment/facilities in public sector schools	172
d. Implementation of information technology in education strategy	40
Total	<u>1,262</u>

Examination of Estimates of Expenditure 2006-07
CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION

Reply Serial No.

S-EMB 03

Question Serial No.

SV27

Head : 156 Government Secretariat : Subhead (No. & title) :
 Education and Manpower Bureau

Programme : (2) Primary Education

Controlling Officer : Permanent Secretary for Education and Manpower

Director of Bureau : Secretary for Education and Manpower

Question : The Administration to consider relaxing the student profile criterion (i.e. 40% or more of the Primary 1 to Primary 3 students receiving Comprehensive Social Security Assistance or full grant under the Student Financial Assistance Scheme) to enable more schools to join the Small Class Teaching Scheme.

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

The small class teaching scheme for schools with high concentration of disadvantaged students (the Scheme) has just started in the 2005/06 school year. It happened that 29 out of 75 eligible schools chose to participate in the Scheme upon invitation last year. We are not sure how many more schools would be eligible and opt to join the Scheme in the coming school year. We would certainly consider relaxing the student profile criterion, having regard to the student outcome of the 29 schools, the professional capacity to provide support for teachers, and the financial implications for both the short and long term.

Signature _____

Name in block letters _____ Mrs Fanny Law

Post Title _____ Permanent Secretary for Education and Manpower

Date _____ 17 March 2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-EMB 04

Question Serial No.

S37

Head : 156 Government Secretariat:
Education and Manpower Bureau

Subhead (No. & title) :

Programme : (4) Special Education

Controlling Officer : Permanent Secretary for Education and Manpower

Director of Bureau : Secretary for Education and Manpower

Question :

1. The Administration stated in its reply EMB 121 that at present, special school students account for only 21% of the total number of students with special educational needs in the territory. Why doesn't the Administration consider to allocate additional resources for more students with special educational needs to receive education?
2. Are there any specific measures to help those students who have special educational needs but are not offered a place in special school?

Asked by : Hon. WONG Kwok-hing

Reply :

1. & 2. Under the existing arrangement, students with special educational needs (SEN) may study either in mainstream schools or special schools. Those who can benefit from schooling in mainstream schools may study there, while those with severe, profound or multiple disabilities who cannot benefit from schooling in mainstream schools may study in special schools. As in January 2006, about 90% of the approved school places in special schools have been utilized. There are still sufficient places in special schools to meet the demand.

Signature _____

Name in block letters _____ Mrs Fanny Law

Post Title _____ Permanent Secretary for Education and Manpower

Date _____ 17 March 2006

- (3) The overall use of the Fund is mapped out under the advice of the Standing Committee on Language Education and Research (SCOLAR). A major review on language education was completed by SCOLAR in 2003, and the Fund was utilized to implement the various recommendations made by SCOLAR. The Administration closely monitors the utilization of the Fund as well as progress and effectiveness of these and other language education initiatives it supports, including the schemes funded by the latest injection, from time to time.

Signature _____
Name in block letters Mrs FANNY LAW
Post Title Permanent Secretary for Education and Manpower
Date 17 March 2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-EMB 06

Question Serial No.

S42

Head : 156 Government Secretariat:
Education and Manpower Bureau

Subhead (No. & title) :

Programme : (2) Primary Education

Controlling Officer : Permanent Secretary for Education and Manpower

Director of Bureau : Secretary for Education and Manpower

Question :

In the coming years,

1. 500 additional teaching posts will be created in the three school years from 2005/06 to 2007/08. Will these posts be permanent posts? If no, what are the reasons?
2. 660 additional teaching posts will be created by phases for implementation of specialised teaching. Will these posts be permanent posts? If no, what are the reasons?

Asked by : Hon. CHAN Yuen-han

Reply :

1. The 500 additional teaching posts are not permanent as these posts are to be created from the time-limited funding for enhancement of the Capacity Enhancement Grant in the three school years from 2005/06 to 2007/08.
2. The additional 660 teaching posts being created by phases for the implementation of specialised teaching are permanent posts.

Signature _____

Name in block letters _____ Mrs Fanny Law

Post Title _____ Permanent Secretary for Education and Manpower

Date _____ 17 March 2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-EMB 07

Question Serial No.

S43

Head : 156 Government Secretariat:
Education and Manpower Bureau

Subhead (No. & title) :

Programme : (2) Primary Education

Controlling Officer : Permanent Secretary for Education and Manpower

Director of Bureau : Secretary for Education and Manpower

Question :

Regarding reducing teachers' workload, is the prospective increase of \$1,150 million in recurrent expenditure and \$720 million in non-recurrent expenditure inclusive of the \$1,700 million announced by EMB in late February for implementing measures to relieve teachers' pressure?

Asked by : Hon. CHAN Yuen-han

Reply :

The recurrent expenditure of \$1,150 million per annum is part of the total recurrent expenditure of \$1,760 million to relieve teachers' workload, while the increase in non-recurrent expenditure of \$720 million is not.

Signature _____

Name in block letters _____ Mrs Fanny Law

Post Title _____ Permanent Secretary for Education and Manpower

Date _____ 17 March 2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-EMB08

Question Serial No.

SV28

Head : 173 Student Financial Assistance Agency
 254 Loans to Students
Subhead (No. & title) :
202 Non-means-tested loan scheme

Programme : Student Assistance Scheme

Controlling Officer : Controller, Student Financial Assistance Agency

Director of Bureau : Secretary for Education and Manpower

Question :

The Administration to advise the rationale behind the higher default payment and bankruptcy rates under the non-means tested loan schemes, breakdown of default cases by student category, and measures which it will take to tackle the problem.

Asked by : Hon. CHEUNG Man-kwong

Reply :

The non-means tested loan schemes are applicable to a wide range of students, namely –

- (a) full-time students of publicly-funded post-secondary programmes;
- (b) full-time students of self-financing post-secondary programmes; and
- (c) students pursuing part-time publicly-funded or self-financing and local award-bearing programmes offered by publicly-funded institutions; students of the Open University of Hong Kong, and Hong Kong Shue Yan College; and all persons pursuing professional or continuing education courses provided in Hong Kong by registered schools, non-local universities and recognized training bodies.

The third category of students, most of whom are working adults, have the highest default and bankruptcy rates. They may have more financial and family commitments than other categories of students.

The breakdown on default cases by student category under the non-means tested loan schemes in the 2004/05 and 2005/06 academic years is as follows –

Student category	No. of defaulters ⁽¹⁾	
	2004/05 Academic Year (as at 31.7.2005)	2005/06 Academic Year (as at 31.1.2006)
(A) For full-time students of publicly-funded post-secondary programmes covered under the Local Student Finance Scheme	1 613	1 618
(B) For full-time students of self-financing post-secondary programmes covered under the Financial Assistance Scheme for Post-secondary Students	449	413
(C) For students pursuing specified professional or continuing education courses, etc.	2 852	3 751
Total	4 836 ⁽²⁾	5 678 ⁽³⁾

Notes:

- (1) Borrowers failing to repay loans for two or more consecutive instalments would constitute a default.
- (2) Excluding 78 defaulters who have defaulted in two non-means tested loan schemes.
- (3) Excluding 104 defaulters who have defaulted in two non-means tested loan schemes.

The Student Financial Assistance Agency (SFAA) has put in place measures to recover defaulted loans, including issuing reminders to defaulters and getting in touch with them to understand their difficulties, and if necessary, reschedule their repayment arrangements. When offering loans to non-means-tested borrowers, the SFAA has been advising students to assess prudently their loan repayment ability before accepting the loans offered. It also sends leaflets to students who are about to start repayments to remind them that they should plan well ahead for loan repayment and exercise prudent financial management. They are also informed of the procedures to apply for deferment of loan repayment/loan restructuring if needed, for reasons of financial hardship, further studies or serious illness.

The SFAA will review the scope and approving criteria for the non-means tested loan scheme for the third category of students above in 2006-07.

Signature _____
Name in block letters LI Wing
Post Title Controller, Student Financial Assistance Agency
Date 20 March 2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-EMB09

Question Serial No.

S30

Head: 190 University Grants Committee Subhead(No. & title):

Programme: University Grants Committee

Controlling Officer: Secretary-General, University Grants Committee

Director of Bureau : Secretary for Education and Manpower

Question:

The Administration stated that it would withdraw funding to sub-degree programmes progressively. However, some programmes meeting the criteria specified will continue to be subsidized. Will the Administration inform this Committee of the number of sub-degree places that will continue to be subsidized?

Asked by: Hon. TAM Heung-man

Reply:

The University Grants Committee will fund a total of 7 270 sub-degree student places under Head 190, in full-time-equivalent terms, in the 2006/07 academic year.

Signature	
Name in block letters	Michael V Stone
Post Title	Secretary-General, University Grants Committee
Date	17 March 2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-EMB10

Question Serial No.

S31

Head: 190 University Grants Committee Subhead(No. & title):

Programme: University Grants Committee

Controlling Officer: Secretary-General, University Grants Committee

Director of Bureau : Secretary for Education and Manpower

Question:

The Administration indicated in its Reply Serial No. EMB 146 that it would not decide when or whether a third Matching Grant Scheme would be implemented. When will the Administration conduct a review on the Scheme? And will the Scheme be made a recurrent programme?

Asked by: Hon. TAM Heung-man

Reply:

The two Matching Grant Schemes have been very successful. They have raised significantly the awareness of both the community and the institutions to the benefits that giving and philanthropy can bring to Hong Kong, through our higher education institutions. As for a review, a key reason for matching grants is to diversify the funding sources for higher education by strengthening the fund-raising capabilities of UGC-funded institutions. The institutions will then be in a better position to fulfil their strategic roles and provide internationally competitive education and research. Bearing in mind that the Second Scheme has only ended in February 2006, it will take time for the institutions to plan the use and expenditure of the funds. It is therefore too early to say when a review should be conducted. As a matter of policy, the Matching Grant Scheme is a non-recurrent programme.

Signature _____

Name in block letters _____

Michael V Stone

Post Title _____

Secretary-General, University Grants Committee

Date _____

17 March 2006

Examination of Estimates of Expenditure 2006-07
CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION

Reply Serial No.

S-EMB11

Question Serial No.

S44

Head: 190 University Grants Committee Subhead(No. & title):

Programme: University Grants Committee

Controlling Officer: Secretary-General, University Grants Committee

Director of Bureau : Secretary for Education and Manpower

Question:

In Reply Serial No. EMB149, the Government stated that a total of \$202m was saved with reduction in sub-degree places in the past two years and that there would be a saving of \$185m for 2006-07. Please advise how the saved amount will be spent on sub-degree courses and what specific measures will be taken?

Asked by: Hon. CHAN Yuen-han

Reply:

The savings from the phasing out of public funding to sub-degree places will be ploughed back to support further development of the post-secondary sector. For instance, the Administration is planning to improve, with effect from the 2006/07 academic year, grant assistance for needy students of self-financing sub-degree programmes better to assist them in the payment of tuition fees and meeting academic expenses.

Student financial assistance in grants is charged under another expenditure head (Head 173 Student Financial Assistance Agency).

Signature	_____
Name in block letters	Michael V Stone
Post Title	Secretary-General, University Grants Committee
Date	17 March 2006