

*Draft*

**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 2007-08  
on 20 March 2007**

**Chairman,**

The total expenditure for the two policy areas of education and manpower development for the financial year 2007-08 is estimated at about \$58.7 billion, comprising recurrent expenditure of \$51 billion and non-recurrent expenditure of \$7.7 billion.

**Education**

2. On education, the total expenditure for the coming financial year will be about \$57.2 billion, accounting for 23% of the total Government expenditure and representing an increase of 7.8% as compared with the revised estimate for 2006-07. Of this total, about \$50 billion or 87% is recurrent in nature. The growth in recurrent expenditure is 11.6%.

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

4. With effect from the 2007/08 school year, we shall introduce the Pre-primary Education Voucher Scheme to provide direct fee subsidy to parents with children attending classes in eligible kindergartens, and to further enhance the quality of pre-primary education, including professional upgrading of principals and teachers.

5. We will continue to provide additional resources for various initiatives to strengthen the support for schools and teachers. Specifically, we will –

- enhance professional development for teachers in special education;

- continue to provide additional teachers to implement specialised teaching in all primary schools; and
- continue to provide additional teachers by phases at junior levels of the secondary schools which have admitted students with low academic achievements.

6. The new academic structure for senior secondary education and higher education scheduled to start from the 2009/10 school year will remain top focus of the education sector. We will continue to 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 2007-08 will be about \$1.5 billion, representing an increase of 3.4% as compared with the revised estimate for 2006-07. 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 2007-08, including the Continuing Education Fund Scheme 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 Training Advisory Committees by phases to develop specifications for competency-standards for different industries under the Qualifications Framework.

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

**Education and Manpower Bureau  
20 March 2007**