

DRAFT
Mr. Michael M.Y. Suen, GBS, JP
Secretary for Education's Speaking Note
at the Special Meeting of Finance Committee
to examine the Draft Estimates of Expenditure 2010-11
on 24 March 2010

Madam Chairman,

The Government has been investing heavily in education to develop human capital in order to enhance social mobility and meet the ever-changing needs and challenges of Hong Kong. Recurrent expenditure on education has increased by 18 per cent over the past 10 years.

2. The total expenditure for the policy area of education for the 2010-11 financial year is estimated at about \$63.7 billion, representing an increase of \$4.9 billion as compared with the last year's revised estimate. It is the largest spending area of total government expenditure, accounting for about 20% of the total.

3. About \$52.2 billion of the total expenditure for education is recurrent in nature, taking up about 23% of recurrent government expenditure. As compared with the 2009-10 revised estimate, it has a growth of \$900 million.

Budget initiatives

4. The 2010-11 Budget has included a number of important initiatives.

5. Firstly, with effect from 2010-11, we plan to significantly increase the existing recurrent funding for the School-based After-school Learning and Support Programmes by \$100 million to \$175 million to strengthen after-school support for needy students. Under these programmes, the School-based Grant provided to schools will be doubled from the current rate of \$200 to \$400 per target student. The subvention under Community-based Project Grant will also be increased by more than 1.5 times to \$108 million to enable non-governmental organisations to organise more intense and broad range of after-school activities.

6. Since web-based learning and research on the Internet have become an integral part of learning, we plan to give a subsidy for Internet access charges in the 2010/11 school year to each low-income family with children studying in primary or secondary schools. We will also provide them with economical Internet services that meet learning needs through a non-profit making organisation. The start-up capital for these measures is \$500 million which will benefit around 400 000 students coming from about 300 000 families.

7. To alleviate the burden of needy families in the early recovery stage of the economy, we also plan to provide an allowance of \$1,000 at the beginning of the 2010/11 school year to students in kindergartens, primary and secondary schools and tertiary institutions receiving Comprehensive Social Security Assistance or student financial assistance, to meet their education-related expenses for the new school year. This measure will involve an expenditure of about \$570 million and will benefit over 500 000 students.

8. In the higher education sector, we plan to deploy \$1 billion to launch the fifth Matching Grant Scheme. For the first time, this will cover all 12 degree-awarding institutions, including the eight University Grant Committee-funded institutions, the Open University of Hong Kong, Hong Kong Shue Yan University, Chu Hai College of Higher Education and the Hong Kong Academy for Performing Arts, so as to support the diversified development of higher education. In addition, we have reserved six sites, including a site at the former Queen Hill's Camp with a gross floor area of more than 100 000 square metres, for the development of a self-financing tertiary institution. The Finance Committee has also approved in February this year an additional \$2 billion loan commitment for the Start-up Loan Scheme for post-secondary education providers to develop or refurbish campus premises. All these measures will help to strengthen Hong Kong's status as a regional education hub.

9. To further upgrade our biliterate and trilingual proficiency, we propose to inject \$500 million into the Language Fund to implement a series of measures. These measures include providing resources to secondary schools to introduce or optimise the school-based measures under the English Enhancement Scheme in order to complement the diversified medium of instruction mode and creating an environment conducive to learning English and Putonghua. We will also provide resources to assist non-Chinese speaking students to adapt to the local curriculum as soon as possible, encourage employees to raise their standards of English and Putonghua, and strengthen research on language education.

Continuation of Existing Education Initiatives

10. Apart from the above new initiatives, we will continue to implement and enhance our existing initiatives in the 2010/11 school year. I would like to mention a few items in particular.

11. Firstly, the required expenditure for implementing small class teaching in public sector primary schools in the 2010/11 school year is about \$500 million. Full implementation would require about \$2.1 billion. In addition, we have earmarked about \$100 million for creating a one-year teaching post in each school implementing small class teaching in the 2010/11 school year. This is to enhance the learning and teaching in schools, and to ensure the smooth and effective implementation of small class teaching through practice and experience sharing. We also plan to allocate \$270 million from the Language Fund to strengthen English teaching in primary schools.

12. On secondary education, the new senior secondary (NSS) academic structure was implemented in the 2009/10 school year. To enable secondary schools to focus and devote their efforts on the teaching and learning and implementation of the NSS, we strive to sustain school development and to maintain stability of the teaching force. In the past few months, we discussed with the stakeholders to work out some measures that are acceptable by all parties. We will soon announce the details of these related measures.

13. The fine-tuning of the medium of instruction arrangements will be implemented in the 2010/11 school year, starting from Secondary 1. In the six-year period beginning from this year, we have reserved a total of \$590 million to provide in-service training courses to non-language teachers and supply teachers to schools, assist teachers to master and apply the appropriate language in teaching different subjects, devise and adjust the curriculum in line with the school-based language policy so as to address the diverse learning needs of students.

14. On special education, we will provide special schools with additional school places and authorise schools to allow students with valid reasons to extend their years of study based on schools' professional judgement in accordance with the mutually agreed principles. Improvement measures will be implemented progressively starting from the 2010/11 school year. Upon full implementation, the additional recurrent expenditure is estimated to be over \$300 million a year.

15. Following our continuing efforts to implement various education initiatives for enhancing the quality of education, the Government's investment on education has been ever-increasing. Over the past 5 years, student/teacher ratio in primary schools has decreased from 18.4:1 to 15.8:1 while unit cost has increased from \$25,000 to \$33,000. In secondary schools, student/teacher ratio has decreased from 18.0:1 to 16.3:1 while unit cost has increased from \$33,000 to \$41,000. It is expected that the unit cost will be further increased upon the full implementation of small class teaching and NSS academic structure.

16. The Government's determination to enhance the quality of education is unquestionable. However, resources are not unlimited. We must carefully consider the overall allocation priorities of government resources when formulating policies.

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

Education Bureau
24 March 2010