

## **NOTE FOR FINANCE COMMITTEE**

### **Extension of Hong Kong Scholarship for Excellence Scheme**

#### **PURPOSE**

This paper informs Members of the Government's plan to extend the Hong Kong Scholarship for Excellence Scheme<sup>Note</sup> (the Scheme) for one more cohort in the 2018/19 academic year, as an interim arrangement, by using the remaining balance of the relevant non-recurrent commitment approved under FCR(2014-15)17.

#### **BACKGROUND**

2. In July 2014, the Finance Committee of the Legislative Council (LegCo) approved a non-recurrent commitment of \$348 million to launch the Scheme to support outstanding local students to pursue studies in world renowned universities outside Hong Kong, with a view to grooming a top cadre of talents with global vision, international network and world-class education, thereby contributing to enhancing Hong Kong's competitiveness as Asia's World City in a globalised knowledge economy. The Scheme also seeks to support those students who have excellent academic achievement but lack the financial means to study in top-notch universities outside Hong Kong.

3. The Scheme intended to benefit three cohorts of students, with up to 100 students per cohort, starting from the 2015/16 academic year and then be subject to a review on its effectiveness. All awardees will receive a non-means-tested scholarship to cover their tuition fees, subject to a ceiling of \$250,000 per annum, whichever is lower. In addition, a means-tested bursary will be granted to students who may need additional support to pursue their study, subject to a ceiling of \$200,000 per student per annum.

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<sup>Note</sup> Previously known as "Scholarship Scheme for Studying Outside Hong Kong".

4. A merit-based approach is adopted for the selection of awardees, targeting the best and most outstanding Hong Kong students who are admitted to world renowned universities or programmes. Selection is based on the academic achievements and other attributes such as leadership qualities and potential, contribution and commitment to society, etc.

Encl. 5. By February 2017, we have awarded scholarships to two cohorts of students and invited applications for the third cohort. For the first and second cohorts, we received 658 and 681 applications respectively. Amongst all, 185 applicants were awarded the scholarship. Some key statistics of the awardees are at Enclosure for reference. For the third cohort, we received 856 applications and they are currently being processed. As at May 2017, 18 awardees from the first cohorts who pursued postgraduate studies have graduated and returned. All of them are now engaged in gainful employment in Hong Kong.

## JUSTIFICATION

6. Since its launch in 2014, the Scheme has been well received by the community. The number of applications has been on the rise. Meanwhile, we are in the course of assessing the effectiveness of the Scheme, in particular as to whether it could successfully facilitate the grooming of a top cadre of talents who would contribute to the development of Hong Kong in various aspects upon their graduation. In order to conduct a reliable and comprehensive review, we believe a larger pool of awardees and graduates would be desirable. It is therefore our plan to include, apart from the 18 awardees mentioned in paragraph 5 above, the feedback and information on employment/further studies of those graduates who will return to Hong Kong this summer (the number of which is about 48) in our review. We aim to complete the review in around the third or fourth quarter of 2017. On the basis of the review results, we will actively consider whether the Scheme should be regularised, and if so, how to enhance the various parameters of the Scheme through the feedback collected.

7. According to the above schedule, the way forward of the Scheme could only be formulated in the fourth quarter of 2017 or the first quarter of 2018 at the earliest. However, most overseas institutions would require the applicants for undergraduate and postgraduate studies in the 2018/19 academic year to submit applications by December of 2017. To enable the Scheme to continue in the 2018/19 academic year, and taking into account that the funding approved in the original commitment has not been fully used up, it is the Government's plan, as an interim arrangement, to extend the Scheme for one cohort in the 2018/19 academic year with the remaining funding of the approved commitment. The existing eligibility, selection criteria and other conditions of the Scheme shall remain unchanged for the extended cohort.

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## FINANCIAL IMPLICATIONS

8. As at 31 March 2017, the remaining balance of the approved commitment for the Scheme was \$295 million. We estimate that the uncommitted balance by 2021-22 after completion of the first three cohorts will be \$184 million. The actual and estimated cash flow requirements are as follows –

Item	2015-16 (actual) \$'000	2016-17 (actual) \$'000	2017-18 (estimate) \$'000	2018-19 (estimate) \$'000	2019-20 (estimate) \$'000	2020-21 (estimate) \$'000	2021-22 (estimate) \$'000	Total \$'000
(a) Scholarship/ Bursary	19,991	31,780	47,293	33,653	19,015	6,980	660	159,372
(b) Cost of engaging temporary staff	657	537	684	684	684	684	684	4,614
<b>Total</b>	<b>20,648</b>	<b>32,317</b>	<b>47,977</b>	<b>34,337</b>	<b>19,699</b>	<b>7,664</b>	<b>1,344</b>	<b>163,986</b>

9. Based on past scholarship disbursement pattern, the total expenditure for one more cohort in the 2018/19 academic year is estimated to be \$40 million to \$60 million. The exact amount required hinges on a number of factors such as the number of awardees, tuition fees of the studies, living and other study-related expenses in the countries concerned, duration of studies, etc. The estimated uncommitted balance after the first three cohorts should be sufficient to cover the expenditure on this extended cohort. Extending the Scheme will not increase the approved commitment of \$348 million for the Scheme.

## PUBLIC CONSULTATION

10. We circulated an information paper to the LegCo Panel on Education in May 2017 and received no adverse comments from Members on the planned extension of the Scheme.

11. Members are invited to note the content of this paper.

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**Key Statistics of Awardees of the  
Hong Kong Scholarship for Excellence Scheme  
(2015/16 and 2016/17 academic years)**

**(A) By level of study**

<b>Level of Study</b>	<b>No. of awardees (% over total<sup>Note</sup>)</b>
Undergraduate	119 (64%)
Postgraduate	66 (36%)
<b>Total:</b>	<b>185</b>

**(B) By Gender**

<b>Gender</b>	<b>Number of Awardees (% over total<sup>Note</sup>)</b>
Male	90 (49%)
Female	95 (51%)
<b>Total:</b>	<b>185</b>

**(C) By Institution / University**

<b>Institution/University (Country)</b>	<b>Number of Awardees (% over total<sup>Note</sup>)</b>
University of Cambridge (UK)	27 (15%)
London School of Economics and Political Science (UK)	22 (12%)
University of Oxford (UK)	18 (10%)
University College London (UK)	17 (9%)
Imperial College London (UK)	13 (7%)
King's College London (UK)	9 (5%)
University of Edinburgh (UK)	7 (4%)
Harvard University (US)	5 (3%)
New York University (US)	5 (3%)
Durham University (UK)	3 (2%)
Guildhall School of Music and Drama (UK)	3 (2%)
University of Bristol (UK)	3 (2%)

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<sup>Note</sup> % over total may not add up to 100% due to rounding.

<b>Institution/University (Country)</b>	<b>Number of Awardees (% over total<sup>Note</sup>)</b>
University of California, Berkeley (US)	3 (2%)
University of Chicago (US)	3 (2%)
University of Pennsylvania (US)	3 (2%)
Yale University (US)	3 (2%)
Anglia Ruskin University (UK)	2 (1%)
Columbia University (US)	2 (1%)
Cornell University (US)	2 (1%)
Goldsmiths, The University of London (UK)	2 (1%)
Princeton University (US)	2 (1%)
Royal College of Music (UK)	2 (1%)
University of Glasgow (UK)	2 (1%)
University of Manchester (UK)	2 (1%)
University of Toronto (Canada)	2 (1%)
Others (Australia, Spain, UK and US)	23 (12%)
<b>Total:</b>	<b>185</b>

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