

Mr Michael M.Y. Suen, GBS, JP
Secretary for Education's Speaking Note
at the Special Meeting of Legislative Council Finance Committee
to examine the Draft Estimates of Expenditure 2011-12
on 23 March 2011

Madam Chairman,

The Government has all along been investing heavily in education. Nurturing human capital not just provides the impetus for the sustainable development of our economy, more importantly, it also helps facilitate social mobility and alleviate cross-generation poverty.

2. Education remains the largest spending area of Government's total expenditure. In the 2011-12 financial year, the total expenditure on education is estimated at \$68.7 billion, representing an increase of 11 per cent over last year's revised estimate and accounting for 18.5 per cent of total Government expenditure.

3. Of the total estimated expenditure on education, \$54.5 billion are recurrent in nature, representing an increase of 6 per cent over last year's revised estimate and accounting for 22.5 per cent of recurrent Government expenditure.

Budget initiatives

4. In this year's Budget, we have proposed a number of important new initiatives in education.

Promoting post-secondary education

5. On post-secondary education, we will continue to promote the parallel development of self-financing and publicly-funded institutions to provide young people with multiple study pathways. In his Policy Address last year, the Chief Executive proposed to set up a \$2.5 billion Self-financing Post-secondary Education Fund, which aims at enhancing the quality of teaching and learning of self-financing institutions and awarding scholarships to outstanding students. We plan to set up the Fund in the second half of this year.

6. We also award scholarships to recognise the excellent performance of outstanding students and attract quality students to study in Hong Kong. The existing HKSAR Government Scholarship Fund awards scholarships to students pursuing publicly-funded degree programmes. The proposed Self-financing

Post-secondary Education Fund will offer scholarships to those enrolled on self-financing post-secondary programmes. We propose to inject \$250 million into the HKSAR Government Scholarship Fund to cover students of publicly-funded sub-degree programmes.

7. In order to encourage young people to learn at first-hand our country's latest development, we will launch a five-year pilot scheme to subsidise on a matching basis local tertiary students' participation in short-term internship or learning programmes in the Mainland. It is estimated that over 30 000 students will benefit from the Scheme, involving a total expenditure of \$100 million.

Supporting students from low-income families

8. In order to provide needy students with greater support, we propose to relax the income ceiling for the full assistance under the existing means test mechanism of the Student Financial Assistance Agency from the 2011/12 academic year. It is estimated that for the 2011/12 academic year, this measure will enable about 75 000 additional students at all levels of study to receive full assistance, comprising about 64 000 pre-primary, primary and secondary students and about 11 000 post-secondary students. The percentage share of students receiving full assistance will substantially increase from about 30 per cent currently (about 110 000 students) to 50 per cent (about 190 000 students) of the total number of recipients. The additional recurrent expenditure is estimated to be about \$300 million a year.

9. Moreover, on top of the relaxed income ceiling for the full level of student financial assistance, we propose to adjust the tiered structure of the financial assistance schemes for post-secondary students for other levels of assistance, which comprises more than ten tiers currently, so that all post-secondary students who are not on full assistance will also receive a higher amount of assistance. It is estimated that in the 2011/12 academic year, around 22 000 post-secondary students will benefit from the proposal. The estimated additional recurrent expenditure is about \$140 million a year.

10. We are working out the specific technical details of the proposals, and will announce the details and consult the Legislative Council Panel on Education shortly.

11. At present, post-secondary students who are eligible for financial assistance will receive a grant to help them cover tuition fees and another grant to help meet academic expenses. Depending on the types, disciplines and levels of the programmes, the maximum amount of the grant for academic expenses ranges from \$3,210 to \$34,380 per year. We propose that, starting from the 2011/12

academic year, an additional amount of academic expenses grant of up to \$1,000 be offered to all post-secondary students eligible for academic expenses grant, subject to the outcome of their means test. The needy students may make use of the sum total of academic expenses grant flexibly to meet their academic expenses, such as to acquire, replace or enhance necessary study aids, including computer and related equipment. The additional recurrent expenditure is estimated to be about \$48 million a year.

12. We are also aware that many parents of low-income families want their children to receive after-school tutorial support. We will earmark \$110 million for a three-year pilot programme for supporting the academic pursuit of primary school students from low-income family through the provision of after-school tutorial support.

Promoting national education

13. To promote national education, we will further increase opportunities for students to participate in Mainland learning and exchange activities. We will work towards the target announced by the Chief Executive in his Policy Address by providing subsidy to enable every primary and secondary school student to join at least one Mainland exchange programme. For this purpose, some 4 000 additional places per annum will be provided, with effect from the 2011/12 school year, for five years. Besides, the Government will also subsidise student-teachers to participate in learning and exchange activities in the Mainland. The annual expenditure of this initiative is estimated to be about \$36 million.

Strengthening internal administration management in public sector schools

14. In 2011-12, we plan to launch a pilot project in some public sector schools with a view to strengthening schools' internal administration management and further reducing teachers' administrative work. The project is expected to last for about one and a half years, and will involve an estimated expenditure of about \$12 million.

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