

**Speaking Note by
Mr Eddie Ng Hak-kim, SBS, JP,
Secretary for Education
at the Special Meeting of the
Legislative Council's Finance Committee to
examine the Estimates of Expenditure 2014-15 on
4 April 2014**

Mr Chairman,

The Government remains determined to invest in education. In 2014-15, the total expenditure on education is estimated at \$75.4 billion, of which \$67.1 billion is recurrent expenditure, accounting for more than one-fifth of the total recurrent government expenditure. This represents an increase of \$3.3 billion or 5.3 % over the 2013-14 revised estimate. The growth rate of this year's recurrent expenditure is higher than the average growth rate of 3.5 % per annum since the Reunification in 1997.

2. We believe that nurturing human capital and facilitating social mobility are essential to sustaining the development of Hong Kong. In the 2014 Policy Address, the Government has announced a series of new recurrent initiatives for education. As a result, in 2014-15, the share of recurrent education expenditure will increase to nearly 90% of the total expenditure on education, which is the highest percentage share since the Reunification.

New Initiatives in 2014-15

3. The additional recurrent expenditure will mainly be deployed to implement the new initiatives announced in the 2014 Policy Address and to take forward the existing education measures. The new initiatives include increasing the voucher value of the Pre-primary Education Voucher Scheme, enhancing support for ethnic minority students in learning Chinese language, enhancing support for students with special education needs, increasing financial support for needy students, enabling secondary schools to enhance life planning services as well as strengthening vocational and post-secondary education.

4. With the increase in recurrent expenditure, we estimate that the unit costs of secondary and primary school places will increase substantially in 2014-15. The unit cost of an aided secondary school place will increase to nearly \$60,000 by about 11 % over last year's and by about 46 % over the unit cost of \$41,000 in 2009-10 when the new senior secondary curriculum commenced implementation. The unit cost of an aided primary school place has likewise increased. It amounts to nearly \$51,000 in 2014-15, representing an increase by about 7 % over last year's.

5. In 2014-15, the new initiatives under non-recurrent expenditure include -

- (i) establishing an endowment fund of \$1 billion to provide long-term support for the sustainable development of the Qualifications Framework;
- (ii) launching a pilot training and support scheme by integrating structured apprenticeship training programmes with clear career progression pathways; and
- (iii) launching the Fourth Strategy on Information Technology in Education which includes the phased provision of Wi-Fi facilities for about 1 000 public sector schools and schools under the Direct Subsidy Scheme in order to facilitate students to make use of the information technology for independent learning in schools.

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

Education Bureau
4 April 2014