

Head 190 — UNIVERSITY GRANTS COMMITTEE

Controlling officer: the Secretary-General, University Grants Committee will account for expenditure under this Head.

Estimate 2025–26 **\$24,699.7m**

Establishment ceiling 2025–26 (notional annual mid-point salary value) representing an estimated 86 non-directorate posts as at 31 March 2025 reducing by two posts to 84 posts as at 31 March 2026..... **\$64.8m**

In addition, there will be an estimated three directorate posts as at 31 March 2025 and as at 31 March 2026.

Commitment balance..... **\$1,681.3m**

Controlling Officer's Report

Programme

University Grants Committee

This programme contributes to Policy Area 16: Education (Secretary for Education).

Detail

	2023–24 (Actual)	2024–25 (Original)	2024–25 (Revised)	2025–26 (Estimate)
Financial provision (\$m)	23,528.8	23,986.8	24,509.7 (+2.2%)	24,699.7 (+0.8%)
				(or +3.0% on 2024–25 Original)

Aim

2 The aim is to service the University Grants Committee (UGC) which advises the Government on the development and funding of higher education in Hong Kong, to administer government grants to the UGC-funded universities, and to support the UGC's objectives of advancing the quality of teaching and learning, research and internationalisation at the UGC-funded universities, and monitoring the efficiency and cost-effectiveness of the universities' UGC-funded activities.

Brief Description

3 The UGC Secretariat is specifically tasked with:

- providing support to the UGC and its sub-committees, the Research Grants Council (RGC) and its committees and panels, and the Quality Assurance Council (QAC) and its audit panels;
- facilitating communication and understanding among the Government, the UGC, the universities, and relevant stakeholders; and
- disbursing approved grants to the UGC-funded universities and monitoring their financial activities.

4 Various initiatives to enhance teaching and learning, knowledge transfer and internationalisation have taken place as planned. Research activities are ongoing and developing.

5 The key achievements of the UGC in the 2023/24 and 2024/25 academic years and related performance measures are set out in the paragraphs below.

Triennial funding for UGC-funded universities

- The UGC conducted the Planning Exercise for the 2025/26 to 2027/28 triennium (the 2025–28 triennium) and submitted its recommendations to the Chief Executive in November 2024. Subsequently, the Chief Executive-in-Council approved in February 2025 the recurrent funding for the 2025–28 triennium at a total cost of \$68,104.1 million. A provision of \$17,403.1 million is earmarked in 2025–26 as the funding for the UGC-funded universities accordingly.

Targeted Taught Postgraduate Programmes Fellowships Scheme (TPgFS)

- The TPgFS was launched on a pilot basis starting from the 2020/21 academic year to provide fellowships for local students pursuing designated taught postgraduate (TPg) programmes conducive to the development of Hong Kong. Each meritorious local student pursuing TPg programme in a targeted priority area and selected by the respective UGC-funded universities receives a subsidy of no more than \$120,000 to offset the tuition fee. The fifth cohort (i.e. 2024/25 intake) of the Scheme covers 115 programmes with 1 000 fellowship places.

Teaching and Learning

- Taking the “existing pot of money” prior to implementation of the “3-3-4” New Academic Structure and the “new pot of money” for the additional year of undergraduate studies together, around 78 per cent of the Block Grant is purported for teaching purposes in the 2022/23 to 2024/25 triennium (2022–25 triennium). In addition, there is an annual provision of the Teaching Development and Language Enhancement Grant (TDLEG) to the UGC-funded universities for enhancing their teaching quality and language proficiency of their students. In the 2022–25 triennium, the amount of TDLEG to the UGC-funded universities is increased by \$38.6 million to \$819.8 million in order to enhance the support for excellence in teaching and learning, with emphasis on virtual teaching and learning as well as inter-institutional collaboration. In June 2023, the UGC launched the Fund for Innovative Technology-in-Education with an allocation of \$100 million to support universities in harnessing innovative and breakthrough technologies to transform pedagogies and enrich student learning experiences. To step up the support for teaching and learning initiatives and to encourage inter-institutional collaboration among the UGC-funded universities, the amount of TDLEG in the 2025–28 triennium will be increased to \$919.8 million, among which \$50 million will be dedicated to inter-institutional collaborative activities on teaching and learning.

Quality Assurance

- The QAC is tasked to assist the UGC in discharging its role in quality-related matters in respect of academic programmes offered at the UGC-funded universities. It conducted its first and second rounds of quality audits covering first degree programmes and above offered by the UGC-funded universities from 2008 to 2011 and from 2015 to 2016 respectively. The quality audits on the sub-degree operations of the UGC-funded universities were conducted from 2017 to 2019. For the third audit cycle covering academic programmes at all study levels, the QAC concluded the quality audits of seven UGC-funded universities as of January 2025.

Research Funding and Research Assessment Exercise (RAE)

- The \$20-billion injection into the Research Endowment Fund (REF) has been placed with the Hong Kong Monetary Authority since September 2019 to generate investment income. With the availability of additional investment income generated from the \$20-billion injection, the RGC has enhanced the budget for its various research funding schemes and will deploy its resources flexibly to ensure sustainability of research funding, enhance support for research collaborations and encourage inter-disciplinary research through collaborative research funding schemes.
- The RAE is conducted usually every six years as part of the UGC’s commitment to assess the research performance of the UGC-funded universities. In consultation with the universities, the UGC has finalised and announced all four canonical documents of RAE 2026, viz. Framework for RAE 2026, Guidance Notes for RAE 2026, General Panel Guidelines for RAE 2026 and Panel-specific Guidelines on Assessment Criteria and Working Methods for RAE 2026. The UGC will continue engaging the universities in developing the implementation details of the exercise, including the enhancement of the electronic system. Submissions will be made in late 2025 while assessment by RAE panels will be conducted in 2026 and results announcement is scheduled for early 2027.

Review on the publicly-funded Research Postgraduate (RPg) places

- As the Chief Executive-in-Council approved in November 2022 to gradually increase the number of publicly-funded RPg places by the 2024/25 academic year, the total number of publicly-funded RPg places has been increased from 5 595 in the 2022/23 academic year to 6 400 in the 2023/24 academic year, and further increased to 7 200 in the 2024/25 academic year. In the 2025–28 triennium, the UGC has agreed to continue adopting the new allocation mechanism in allocating the 7 200 RPg places to achieve greater competition and to encourage universities to align their research directions with the Government’s strategic priorities for Hong Kong’s development. Additional recurrent provision, amounting to \$307.1 million in 2023–24 and \$816.3 million in full year from 2025–26 onwards, has been earmarked to meet the funding requirements for the increase.

Work of the RGC

- Starting from the 2013/14 academic year, all research funding schemes under the RGC, with the exception of the Hong Kong PhD Fellowship Scheme (HKPFS), Areas of Excellence (AoE) Scheme, the RGC Postdoctoral Fellowship Scheme (PDFS, which is renamed as RGC Junior Research Fellow Scheme (JRFS) starting from the 2025/26 exercise), the RGC Research Fellow Scheme (RFS) and the RGC Senior Research Fellow Scheme (SRFS), have been funded by investment income from the REF. The existing endowment of the REF is \$46 billion for providing earmarked research grants, supporting the Theme-based Research Scheme and the Strategic Topics Grant (STG), providing competitive research funds for the local self-financing degree sector, implementing a Tuition Waiver Scheme to provide non-means-tested tuition waiver for local students enrolled in UGC-funded RPg programmes, providing steady support to the Research Impact Fund and augmenting support for RGC collaborative research funding schemes.
- The HKPFS aims to attract students of high calibre to pursue their Doctor of Philosophy studies in Hong Kong. As announced by the Chief Executive in the 2023 Policy Address, the quota of HKPFS would be increased gradually from 300 to 400 places per academic year. As such, 350 fellowships have been awarded in the 2024/25 academic year and 400 fellowships will be awarded in the 2025/26 academic year. As for the AoE Scheme, it seeks to build upon Hong Kong universities' existing research strengths and develop them into areas of excellence. As at end December 2024, a total of 35 projects had been approved in the first 12 rounds of exercise.
- The debut round of the Research Matching Grant Scheme (RMGS), which aimed to incentivise the private sector to strengthen financial support for research and development (R&D), and diversify the funding sources for research activities, was launched in August 2019 and concluded in July 2024. The \$3-billion provision was fully disbursed after 20 processing cycles, attracting a total of \$5.77 billion donations/research funds. To continue to attract more organisations to support research endeavours of universities/institutions, the Chief Executive in his 2024 Policy Address announced the launch of a new round of RMGS in 2025 spanning a period of four years, with a total commitment of \$1.5 billion for applications by the eight UGC-funded universities and 13 local self-financing degree-awarding institutions.
- Three RGC research fellowship schemes, namely PDFS, RFS and SRFS, were introduced in the 2019/20 academic year. PDFS aims to encourage doctoral graduates in pursuing research careers in Hong Kong so as to ensure a supply of talents for R&D in Hong Kong. To open up the scheme to provide continuous support to awardees receiving offers to become faculty members (Assistant Professors or Research Assistant Professors) during their fellowship period, PDFS is renamed as JRFS starting from the 2025/26 selection exercise, and the number of annual awards was increased from 50 to 60 for the 2024/25 cohort and thereafter. RFS and SRFS, each presenting ten annual awards, aim to provide sustained research support integrated with relief from teaching and administrative duties for outstanding academics at Associate Professor and full Professor ranks respectively, with a view to facilitating them to dedicate their career to R&D as well as giving them the time and resources to nurture and train the next generation of local research talents for Hong Kong. These schemes run on a yearly basis. Five exercises had been completed and results were announced in April (for PDFS/JRFS) and July (for RFS and SRFS) in the respective years of exercise.
- The Chinese Academy of Sciences (CAS) has established joint laboratories with six universities in Hong Kong since 1996 to boost science and technology collaboration, encourage talent exchange and student learning, and promote overall academic excellence. To inject further impetus into our research community and encourage local talents to collaborate with the Mainland in major research projects, the RGC allocated \$40 million from REF on a one-off basis in the 2023/24 academic year to provide matching funding to support four “Outstanding”, seven “Good” and three “New” joint laboratories under the co-funding mechanism with CAS.

Knowledge Sharing with the Community

- The UGC recognises the importance of knowledge sharing by universities with society as part of their institutional social responsibilities, thereby creating socio-economic benefits and positive community impact while fostering public appreciation for the valuable contributions of the higher education sector to society as a whole. Recurrent funding of \$77.4 million per year in the 2025–28 triennium has been earmarked for the UGC-funded universities to further strengthen and broaden their endeavours, and commensurate with their roles and missions.

University Accountability Agreements (UAAs)

- The UAAs enhance accountability and transparency of the UGC-funded sector by setting out the duties and responsibilities of individual universities in relation to public funding. The UGC has initiated the renewal of the UAAs with individual universities for the 2025–28 triennium to reflect the latest strategic directions of the Government, the principles underpinning the allocation of recurrent funding, as well as to provide an updated set of performance indicators.

Internationalisation and Engagement with the Mainland

- Non-local students of UGC-funded taught programmes do not receive public funding and their number is accounted for separately from the UGC-funded local student places on over-enrolment basis. As announced in the 2023 Policy Address, the enrolment ceiling of non-local students for UGC-funded taught programmes has been doubled to a level equivalent to 40 per cent of approved local student places starting from the 2024/25 academic year. The number of non-local students pursuing UGC-funded undergraduate programmes in the 2024/25 academic year was 17 161 (provisional figure), which was equivalent to about 23.2 per cent of the total number of approved local student places at undergraduate study level.
- Starting from the 2023/24 academic year, the UGC has committed an injection of an additional \$100 million into the Funding Scheme for Mainland and Global Engagement and Student Learning Experience in order to encourage universities to offer students with more exchange and learning opportunities outside Hong Kong, and to promote a diversified and inclusive international learning environment on campuses.

Publicity and Stakeholder Engagement

- The UGC, RGC and QAC continue to engage stakeholders in an open manner and promote public understanding of our work through appropriate channels and publicity activities. The UGC and RGC Annual Reports as well as the reports of QAC quality audits are made available for public access for transparency. The RGC has also conducted public lectures to introduce its work and activities.

Indicators

	<i>Academic Year</i>		
	2023/24 (Actual)	2024/25 (Revised Estimate)	2025/26 (Estimate)
<i>Recurrent subventions</i>			
recurrent subventions (including block grants and various grants earmarked for specific purposes) (\$m)	23,094.5	24,169.4	23,912.5
TDLEG			
amount of grants (\$m)	273.3	273.2	306.6
grants for AoE research projects			
ongoing funded AoE projects monitored	14	17	16
amount of grants (\$m)#	99.7	100.0	100.0

The allocations for the AoE Scheme for the 2022–25 and 2025–28 triennia are each subject to a cap of \$300 million.

	<i>Financial Year</i>		
	2023–24 (Actual)	2024–25 (Revised Estimate)	2025–26 (Estimate)
<i>Capital subventions</i>			
capital grants			
capital works project applications processed	3	1	0
capital works projects approved by the Finance Committee (FC)	1	0	0
amount of capital commitments approved by the FC (\$m)	835.1	0	0
capital projects monitored	8	10	8
cost of ongoing capital projects monitored (\$m)	5,683.7	6,539.1	5,321.6
capital subventions in terms of cash flow requirement for the year (\$m)	1,060.6	1,125.3	975.2
<i>Administration costs of UGC Secretariat</i>			
cost of administration as percentage of recurrent and capital grants administered (%)	0.8	0.9	1.1

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	<i>Academic Year</i>		
	2023/24 (Actual) [¶]	2024/25 (Revised Estimate)	2025/26 (Estimate)
<i>Student numbers of UGC-funded programmes</i>			
student numbers in terms of Full-Time Equivalent (FTE)			
students ^Ψ			
undergraduate [‡]			
- approved local student places [@]	73 985	74 082	74 131
- over/(under)-enrolment.....	16 174	N.A.	N.A.
Sub-total	90 159	74 082	74 131
TPg			
- approved local student places [@]	1 970	2 065	2 340
- over/(under)-enrolment.....	54	N.A.	N.A.
Sub-total	2 024	2 065	2 340
RPg			
- approved student places [@]	6 400	7 200	7 200
- over/(under)-enrolment.....	3 135	N.A.	N.A.
Sub-total	9 535	7 200	7 200
sub-degree			
- approved local student places [@]	895	895	895
- over/(under)-enrolment.....	114	N.A.	N.A.
Sub-total	1 009	895	895
Total			
- approved student places [@]	83 249	84 242	84 566
- over/(under)-enrolment.....	19 477	N.A.	N.A.
Total	102 726	84 242	84 566
all taught programmes (i.e. sub-degree, undergraduate [‡] and TPg) [⊖]			
- approved local student places [@]	76 849	77 042	77 366
- over/(under)-enrolment.....	16 342	N.A.	N.A.
Total	93 191	77 042	77 366
First-Year-First-Degree intakes (FTE)			
- approved local student places [@]	15 000	15 000	15 000
- over/(under)-admission.....	4 701	N.A.	N.A.
Total	19 701	15 000	15 000
Senior year undergraduate intakes (FTE)			
- approved local student places [@]	5 000	5 000	5 000
- over/(under)-admission.....	31	N.A.	N.A.
Total	5 031	5 000	5 000

¶ The figures include both the approved student places and any over/under-utilisation. Universities may over-enrol students up to a certain limit, on a cost-neutral basis, particularly to take in non-local students for taught programmes who are accounted for outside of the approved local student places.

Ψ Figures could be in decimal figures and they are rounded to the nearest whole number for presentation purpose. Therefore, figures may not add up due to rounding.

‡ Including senior year undergraduate places.

@ Revised description of the previous indicator “approved” as from the 2024/25 academic year.

⊖ Revised description of the previous indicator “sub-degree, undergraduate and taught postgraduate” as from the 2024/25 academic year.

Matters Requiring Special Attention in 2025–26

6 During 2025–26, the UGC will:

- ensure smooth transition to the 2025–28 triennium in accordance with the strategic directions of the Government;
- launch the Hong Kong Future Talents Scholarship Scheme for Advanced Studies for TPg programmes of the UGC-funded universities;
- continue to take measures to encourage the UGC-funded universities to enhance the quality of teaching and learning;
- conclude all quality audits under the QAC’s third audit cycle on the UGC-funded universities and continue to monitor the progress of universities’ actions in response to their audit findings;
- continue to implement the competitive allocation of research funding as agreed with the UGC-funded universities and the local self-financing degree-awarding institutions;
- continue to take measures to encourage the UGC-funded universities to engage in knowledge sharing with the community;
- continue to work with the UGC-funded universities to help ensure their continuing good financial governance and sound financial planning;
- support Hong Kong’s development into an international hub for post-secondary education by encouraging the UGC-funded universities to strengthen their pursuit of internationalisation and engagement with the Mainland and creating the “Study in Hong Kong” brand, in particular through participation in international education conferences and exhibitions, promotional activities targeting prospective non-local students outside Hong Kong, encouraging institutions’ collaboration and exchange with counterparts around the world as well as supporting universities to broaden local students’ learning experience outside Hong Kong;
- continue to implement RAE 2026 in consultation with the UGC-funded universities, including the collection of submissions made by universities by end-2025;
- continue to implement the three regular RGC research fellowship schemes to attract and retain research talents;
- launch a new round of RMGS in mid-2025;
- continue to administer the STG;
- continue to allocate 7 200 publicly-funded RPg places to drive the UGC-funded universities in aligning their research activities with the strategic priorities of Hong Kong;
- continue to allocate the HKPFS fellowship award places to attract outstanding talents to study and conduct research in Hong Kong; and
- continue to administer the remuneration subsidy portion of the Global STEM Professorship Scheme to attract overseas research talents in the relevant disciplines to work in Hong Kong, as well as to offer secretarial support to the assessment panel of the Scheme.

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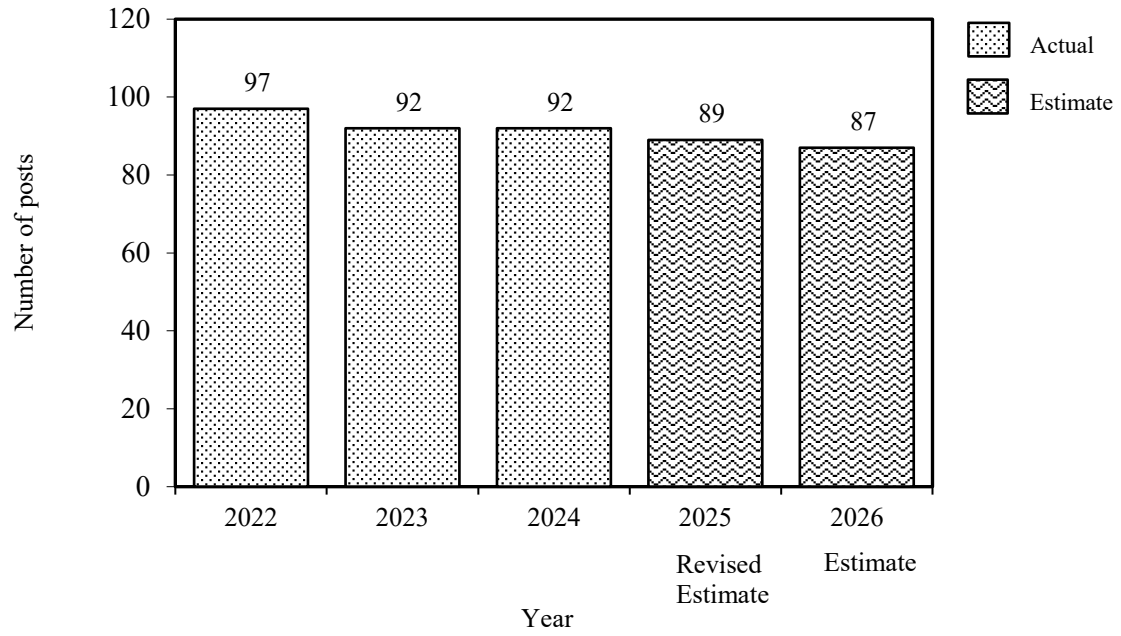
ANALYSIS OF FINANCIAL PROVISION

	2023–24 (Actual) (\$m)	2024–25 (Original) (\$m)	2024–25 (Revised) (\$m)	2025–26 (Estimate) (\$m)
Programme				
University Grants Committee	23,528.8	23,986.8	24,509.7 (+2.2%)	24,699.7 (+0.8%)
				(or +3.0% on 2024–25 Original)

Analysis of Financial and Staffing Provision

Provision for 2025–26 is \$190.0 million (0.8%) higher than the revised estimate for 2024–25. This is mainly due to higher cash flow requirement for non-recurrent item for launching the new round of RMGS, partly offset by the decrease in recurrent grants provided to the UGC-funded universities in 2025–26. There will be a net decrease of two posts in 2025–26.

*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2023-24	Approved estimate 2024-25	Revised estimate 2024-25	Estimate 2025-26	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	23,055,591	23,781,828	24,256,806	24,309,692
	Total, Recurrent.....	<u>23,055,591</u>	<u>23,781,828</u>	<u>24,256,806</u>	<u>24,309,692</u>
Non-Recurrent					
700	General non-recurrent.....	473,234	204,943	252,914	390,000
	Total, Non-Recurrent	<u>473,234</u>	<u>204,943</u>	<u>252,914</u>	<u>390,000</u>
	Total, Operating Account.....	<u>23,528,825</u>	<u>23,986,771</u>	<u>24,509,720</u>	<u>24,699,692</u>
<hr/>					
	Total Expenditure.....	<u><u>23,528,825</u></u>	<u><u>23,986,771</u></u>	<u><u>24,509,720</u></u>	<u><u>24,699,692</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2025–26 for the salaries and expenses of the University Grants Committee (UGC)-funded universities and the UGC Secretariat is \$24,699,692,000. This represents an increase of \$189,972,000 over the revised estimate for 2024–25 and \$1,170,867,000 over the actual expenditure in 2023–24.

Operating Account

Recurrent

2 Provision of \$24,309,692,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the UGC Secretariat and the payment of recurrent grants to the UGC-funded universities.

3 The establishment as at 31 March 2025 will be 89 posts. It is expected that there will be a net decrease of two posts in 2025–26. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2025–26, but the notional annual mid-point salary value of all such posts must not exceed \$64,778,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2023–24 (Actual) (\$'000)	2024–25 (Original) (\$'000)	2024–25 (Revised) (\$'000)	2025–26 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	62,990	65,200	65,670	69,700
- Allowances	3,131	3,586	1,806	1,554
- Job-related allowances.....	—	1	1	1
Personnel Related Expenses				
- Mandatory Provident Fund contribution	168	170	160	160
- Civil Service Provident Fund contribution	5,568	5,879	5,700	6,129
Departmental Expenses				
- General departmental expenses	88,431	123,213	112,484	141,067
Other Charges				
- Honoraria for non-local members	23,910	28,835	27,761	31,333
- Meeting expenses of UGC, Research Grants Council and Quality Assurance Council	26,707	62,018	39,410	46,423
Subventions				
- Grants to UGC-funded universities	22,479,686	23,117,604	23,633,347	23,620,528
- Refund of Rates and Government Rent - UGC-funded universities	311,802	324,365	319,510	342,851
- Housing-related expenses other than Home Financing Scheme	53,198	50,957	50,957	49,946
	23,055,591	23,781,828	24,256,806	24,309,692

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2024	Revised estimated expenditure for 2024–25	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	806	New Round of Research Matching Grant Scheme [□]	1,500,000 [□]	—	—	1,500,000
	952	Global STEM Professorship Scheme	500,000	273,693	45,000	181,307
		Total	<u>2,000,000</u>	<u>273,693</u>	<u>45,000</u>	<u>1,681,307</u>

□ This is a new item, funding for which is sought in the context of the Appropriation Bill 2025.