

Head 190 — UNIVERSITY GRANTS COMMITTEE

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

Estimate 2026–27 **\$24,446.6m**

Establishment ceiling 2026–27 (notional annual mid-point salary value) representing an estimated 84 non-directorate posts as at 31 March 2026 reducing by two posts to 82 posts as at 31 March 2027 **\$63.3m**

In addition, there will be an estimated three directorate posts as at 31 March 2026 and 31 March 2027.

Commitment balance..... **\$1,371.3m**

Controlling Officer's Report

Programme

University Grants Committee

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

Detail

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	24,475.9	24,699.7	24,560.8 (–0.6%)	24,446.6 (–0.5%)
				(or –1.0% on 2025–26 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 2024/25 and 2025/26 academic years and related performance measures are set out in the paragraphs below.

Triennial funding for UGC-funded universities

- With the Chief Executive-in-Council's approval of the recurrent funding totalling \$68,104.1 million for all UGC-funded universities in the 2025/26 to 2027/28 triennium (2025–28 triennium), provision of \$17,403.1 million and \$22,856.4 million have been earmarked in 2025–26 and 2026–27 respectively in accordance with the established methodology for determining the level of recurrent grants to the individual universities. The UGC has also commenced advance preparatory work for the Planning Exercise for the 2028/29 to 2030/31 triennium (2028–31 triennium).

Targeted Taught Postgraduate Programmes Fellowships Scheme (TPgFS)/Hong Kong Future Talents Scholarship Scheme for Advanced Studies (FTSS)

- 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.
- Riding on the successful experience of the TPgFS, the FTSS has been launched since the 2025/26 academic year for local students pursuing self-financed TPg programmes offered by the UGC-funded universities. The first cohort of the Scheme covers 161 programmes with 1 000 scholarship places, providing each selected student with a subsidy of no more than \$100,000 to offset the tuition fee.

Teaching and Learning

- The UGC attaches great importance to quality teaching and learning. An annual provision of the Teaching Development and Language Enhancement Grant (TDLEG) has been allocated to the UGC-funded universities for enhancing teaching quality and language proficiency of students. For the 2025–28 triennium, to strengthen support for excellence in teaching and learning, the TDLEG allocation for the UGC-funded universities has been increased by \$100 million, raising the total to \$919.8 million. With \$50 million dedicated to inter-institutional collaborative activities, the UGC strives to foster closer relationships among universities and cultivate a vibrant ecosystem within Hong Kong's higher education sector.
- 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.

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 has already concluded the quality audits of all eight UGC-funded universities and an overview report on the third audit cycle is scheduled for publication in 2026.

Research Assessment Exercise (RAE)

- 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 enhanced RAE electronic system was launched in October 2025. After receipt of submissions made by the universities in late 2025, assessment by RAE panels will be conducted in 2026, and results announcement is scheduled for early 2027.

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 Junior Research Fellow Scheme (JRFS, previously known as RGC Postdoctoral Fellowship Scheme (PDFS)), the RGC Research Fellow Scheme (RFS) and the RGC Senior Research Fellow Scheme (SRFS), have been fully funded by the Research Endowment Fund (REF). The REF provides earmarked research grants, supports the Theme-based Research Scheme and the Strategic Topics Grant (STG), provides competitive research funds for the local self-financing degree sector, implements a Tuition Waiver Scheme to provide non-means-tested tuition waiver for local students enrolled in UGC-funded Research Postgraduate (RPg) programmes, provides steady support to the Research Impact Fund and augments 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. 400 fellowships will be awarded in the 2026/27 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 2025, a total of 38 projects had been approved in the first 13 rounds of exercise.
- The debut round of the Research Matching Grant Scheme (RMGS), which aimed to incentivise the non-public 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 non-public organisations to support research endeavours of universities/institutions, a new round of RMGS was launched in May 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 aimed 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 for awardees receiving offers to become faculty members (Assistant Professors or Research Assistant Professors) during their fellowship period, PDFS was 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 normally 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. Six 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 the local research community and encourage local talents to collaborate with the Chinese Mainland in major research projects, the RGC allocated \$40 million from the 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. Out of the \$40 million allocation, around \$8 million were set aside for the setting up of Youth Seed Fund in 2025 for supporting young researchers of 22 accredited joint laboratories in academic exchange and research collaboration between 2026 and 2028.

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, 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. With the commencement of the 2025–28 triennium, the UGC renewed the UAAs with all UGC-funded universities in June 2025 to state the Government's strategic directions and the principles underpinning the allocation and adjustment of funding in the 2025–28 triennium, as well as to provide an updated set of performance indicators.

Internationalisation and Engagement with the Chinese 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 an over-enrolment basis. As announced in the 2025 Policy Address, the enrolment ceiling for self-financing non-local students for UGC-funded taught programmes will be further raised from the level currently equivalent to 40 per cent of local student places to 50 per cent, effective from the 2026/27 academic year. The number of non-local students pursuing UGC-funded undergraduate programmes in the 2025/26 academic year was 20 093 (provisional figure), which was equivalent to about 27.1 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 Chinese 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. Building on the funding injection in the 2023/24 academic year, the UGC will allocate an additional \$100 million for continuation of the Funding Scheme in the 2026/27 to 2028/29 academic years.

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>		
	2024/25 (Actual)	2025/26 (Revised Estimate)	2026/27 (Estimate)
<i>Recurrent subventions</i>			
recurrent subventions (including block grants and various grants earmarked for specific purposes) (\$m)	24,152.9	23,891.5	23,485.8
TDLEG			
amount of grants (\$m).....	273.3	306.6	306.6
grants for AoE research projects			
ongoing funded AoE projects monitored	17	20	18
amount of grants (\$m)#.....	100.0	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>		
	2024–25 (Actual)	2025–26 (Revised Estimate)	2026–27 (Estimate)
<i>Capital subventions</i>			
capital grants			
capital works project applications processed	1	0	1
capital works projects approved by the Finance Committee (FC)	0	0	2
amount of capital commitments approved by the FC (\$m)	0	0	855.4
capital projects monitored	10	8	7
cost of ongoing capital projects monitored (\$m)	6,539.1	5,321.6	4,721.7
capital subventions in terms of cash flow requirement for the year (\$m).....	1,125.3	952.8	534.4
<i>Administration costs of UGC Secretariat</i>			
cost of administration as percentage of recurrent and capital grants administered (%).....	0.8	0.9	1.3

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	<i>Academic Year</i>		
	2024/25 (Actual) [¶]	2025/26 (Revised Estimate)	2026/27 (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@.....	74 082	74 131	74 103
- over/(under)-enrolment.....	19 561	N.A.	N.A.
Sub-total	93 643	74 131	74 103
TPg			
- approved local student places@.....	2 065	2 340	2 660
- over/(under)-enrolment.....	100	N.A.	N.A.
Sub-total	2 165	2 340	2 660
RPg			
- approved student places@.....	7 200	7 200	7 200
- over/(under)-enrolment.....	3 464	N.A.	N.A.
Sub-total	10 664	7 200	7 200
sub-degree			
- approved local student places@.....	895	895	829
- over/(under)-enrolment.....	(5)	N.A.	N.A.
Sub-total	890	895	829
Total			
- approved student places@.....	84 242	84 566	84 792
- over/(under)-enrolment.....	23 119	N.A.	N.A.
	107 361	84 566	84 792
all taught programmes (i.e. sub-degree, undergraduate [‡]			
and TPg) [⊖]			
- approved local student places@.....	77 042	77 366	77 592
- over/(under)-enrolment.....	19 655	N.A.	N.A.
Total	96 697	77 366	77 592
First-Year-First-Degree intakes (FTE)			
- approved local student places@.....	15 000	15 000	15 000
- over/(under)-admission.....	6 151	N.A.	N.A.
Total	21 151	15 000	15 000
Senior year undergraduate intakes (FTE)			
- approved local student places@.....	5 000	5 000	5 000
- over/(under)-admission.....	164	N.A.	N.A.
Total	5 164	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 2026–27

6 During 2026–27, the UGC will:

- continue to work with universities in the 2025–28 triennium to implement the strategic directions of the Government;
- commence the Planning Exercise for the 2028–31 triennium;
- continue to implement the FTSS of the UGC-funded universities;
- continue to take measures to encourage the UGC-funded universities to enhance the quality of teaching and learning;
- publish the overview report on 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 participating in the Task Force on Study in Hong Kong and encouraging the UGC-funded universities to strengthen their pursuit of internationalisation and engagement with the Chinese Mainland and promoting 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 and prepare for results announcement in early 2027;
- continue to implement the three regular RGC research fellowship schemes to attract and retain research talents;
- continue to operate the new round of RMGS;
- continue to administer the STG;
- 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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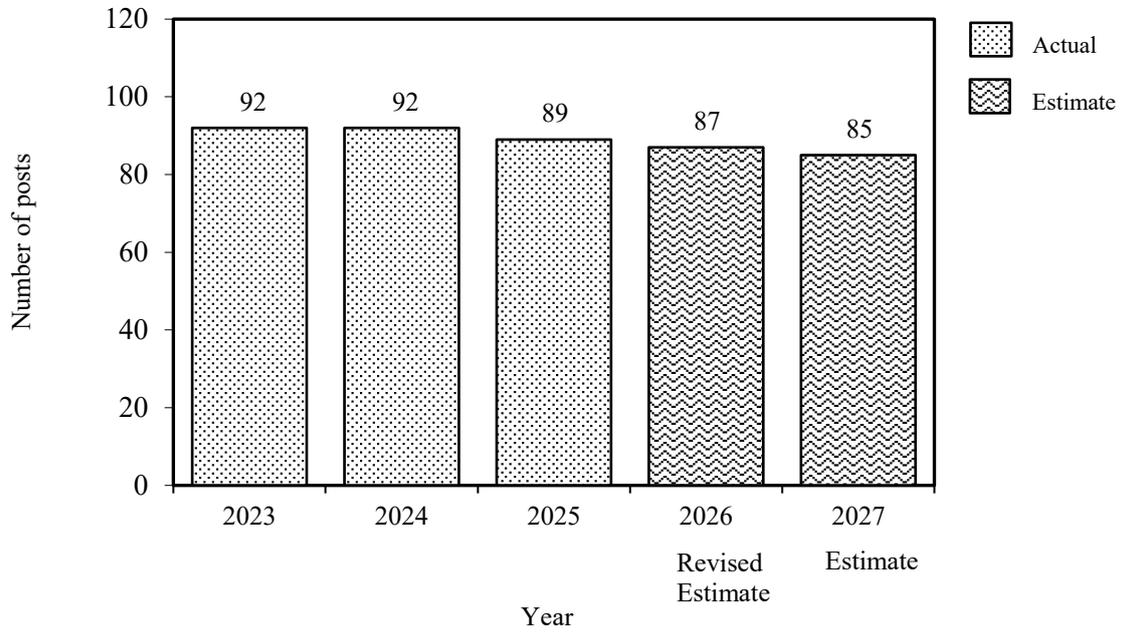
ANALYSIS OF FINANCIAL PROVISION

	2024–25 (Actual) (\$m)	2025–26 (Original) (\$m)	2025–26 (Revised) (\$m)	2026–27 (Estimate) (\$m)
Programme				
University Grants Committee	24,475.9	24,699.7	24,560.8 (–0.6%)	24,446.6 (–0.5%)
				(or –1.0% on 2025–26 Original)

Analysis of Financial and Staffing Provision

Provision for 2026–27 is \$114.2 million (0.5%) lower than the revised estimate for 2025–26. This is mainly due to decrease in recurrent grants provided to the UGC-funded universities, partly offset by higher cash flow requirement for non-recurrent items for the new round of RMGS and Global STEM Professorship Scheme in 2026–27. There will be a net decrease of two posts in 2026–27.

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



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Sub-head (Code)	Actual expenditure 2024–25	Approved estimate 2025–26	Revised estimate 2025–26	Estimate 2026–27	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	24,222,996	24,309,692	24,250,813	23,956,603
	Total, Recurrent.....	24,222,996	24,309,692	24,250,813	23,956,603
Non-Recurrent					
700	General non-recurrent	252,914	390,000	310,000	490,000
	Total, Non-Recurrent.....	252,914	390,000	310,000	490,000
	Total, Operating Account	24,475,910	24,699,692	24,560,813	24,446,603
	Total Expenditure	24,475,910	24,699,692	24,560,813	24,446,603

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Details of Expenditure by Subhead

The estimate of the amount required in 2026–27 for the salaries and expenses of the University Grants Committee (UGC)-funded universities and the UGC Secretariat is \$24,446,603,000. This represents a decrease of \$114,210,000 against the revised estimate for 2025–26 and \$29,307,000 against the actual expenditure in 2024–25.

Operating Account

Recurrent

2 Provision of \$23,956,603,000 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 2026 will be 87 posts. It is expected that there will be a net decrease of two posts in 2026–27. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2026–27, but the notional annual mid-point salary value of all such posts must not exceed \$63,337,000.

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

	2024–25 (Actual) (\$'000)	2025–26 (Original) (\$'000)	2025–26 (Revised) (\$'000)	2026–27 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	64,966	69,700	67,340	70,200
- Allowances.....	1,408	1,554	1,004	1,228
- Job-related allowances.....	—	1	1	1
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	150	160	150	120
- Civil Service Provident Fund contribution.....	5,656	6,129	6,140	6,423
Departmental Expenses				
- General departmental expenses	111,500	141,067	119,709	160,041
Other Charges				
- Honoraria for non-local members.....	25,470	31,333	30,898	54,864
- Meeting expenses of UGC, Research Grants Council and Quality Assurance Council.....	25,700	46,423	36,784	59,460
Subventions				
- Grants to UGC-funded universities	23,618,265	23,620,528	23,605,139	23,207,125
- Refund of Rates and Government Rent - UGC-funded universities.....	319,008	342,851	333,702	348,072
- Housing-related expenses other than Home Financing Scheme.....	50,873	49,946	49,946	49,069
	<u>24,222,996</u>	<u>24,309,692</u>	<u>24,250,813</u>	<u>23,956,603</u>

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2025	Revised estimated expenditure for 2025–26	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	—	300,000	1,200,000
	952	Global STEM Professorship Scheme.....	500,000	318,693	10,000	171,307
		Total	<u>2,000,000</u>	<u>318,693</u>	<u>310,000</u>	<u>1,371,307</u>