

26 June 2026

Education Bureau Circular No. 8/2026

School Efficiency Grant

[Note: This circular should be read by –

- (i) Supervisors and Heads of aided schools (including special schools) with incorporated management committees – for action; and
- (ii) Heads of sections – for information.]

Summary

This circular informs all aided schools (including special schools) with an incorporated management committee (IMC) of the provision of a School Efficiency Grant (SEG) by the Education Bureau (EDB) starting from the 2026/27 school year to support schools in accelerating the digital transformation in education, thereby enhancing school efficiency, optimising school administration, and enriching students' learning experiences.

Background

2. The EDB announced the Blueprint for Digital Education Development in Primary and Secondary Schools (the Blueprint) in June 2026, which provides a clear guiding direction and implementation strategies for promoting the digital transformation in education in primary and secondary schools across Hong Kong in the future. It aims to enhance students' digital literacy and equip the younger generation to seize the opportunities and meet the challenges of the digital era. The Blueprint focuses on artificial intelligence (AI) education, providing clear guidelines for the school sector across comprehensive dimensions such as overall school planning, student development, teacher training, infrastructure optimisation, as well as exchange and collaboration. Among its key strategies, the Blueprint also encourages schools to promote the development of smart campuses and actively explore how AI can assist schools in handling administrative work, thereby reducing workload, enhancing capacity, and improving school governance and efficiency.

3. In addition, since the 2005/06 school year, the EDB has provided the Teacher Relief Grant (TRG)¹, which allows aided schools with an IMC (hereinafter referred to as “schools”) to deploy resources flexibly and streamlines the administrative procedures for appointing supply teachers. This provides schools with greater financial flexibility and autonomy in hiring supply teachers or teaching-related staff. Schools may also procure education-related services or hire staff such as social workers, educational psychologists, and professional tutors for career-oriented studies to meet school-based needs and requirements of various new initiatives, thereby enhancing the quality of school education more effectively.

4. Building on schools’ experience and feedback regarding the use of TRG, and supporting schools in the digital transformation in education, the EDB will provide SEG starting from the 2026/27 school year to support schools in accelerating the digital transformation in education and investing in the future.

Details

5. The EDB will provide schools with SEG starting from the 2026/27 school year. This allows schools, according to their school-based needs and in addition to the existing TRG, to obtain a cash grant by freezing up to 10% of their approved teaching staff establishment² to hire teaching and non-teaching staff who can specifically collaborate to accelerate the digital transformation in education. Schools may also procure services related to promoting educational digitalisation (such as AI solutions and large language model services) to support their use of AI, big data and innovative technologies to accelerate the digital transformation in school education, thereby enhancing school efficiency and enriching students’ learning experiences.

6. While promoting educational digitalisation is a major trend, schools still need to manage expectations, implement effective change management, and reach a consensus with stakeholders. If schools plan to freeze up to 10% of their approved teaching staff establishment for the upcoming school year (calculated on a full school-year basis) to apply for SEG, they must obtain prior consent from the IMC and a majority of teachers and parents. Once the application is approved, schools cannot cancel the freezing

¹ TRG for schools with an IMC: <https://www.edb.gov.hk/en/sch-admin/fin-management/subsidy-info/trg/index.html>

² For each frozen post, schools may opt for either TRG **or** SEG, but cannot receive both grants concurrently for the same post. Before applying for SEG, schools should read relevant guidelines of TRG and give due consideration for obtaining a cash grant by freezing their approved teaching staff establishment in a holistic manner. In addition, the maximum number of posts that can be frozen for schools that operate both primary and secondary sections will be calculated separately based on the approved teaching staff establishment of each section. However, encashed fractional teaching staff entitlement will be excluded for calculation of the ceiling of frozen posts.

arrangement during that school year. Schools should review their actual circumstances annually and decide, before the start of the following school year, whether freezing their teaching staff establishment remains necessary for the purpose of this grant.

Ambit

7. The use of SEG should be prioritised for promoting the digital transformation in education. Schools may use this grant to hire teaching and non-teaching staff, such as teachers with a keen interest and/or practical experience in educational digitalisation, as well as administrative and technical support staff familiar with AI, big data analysis, and innovative technologies (e.g. digital transformation, the Internet of Things and smart campuses), to assist in accelerating the digital transformation in education in areas such as school administration, learning and teaching, and student support.

8. SEG may also be used to procure services/platforms/software/devices related to school administration, learning and teaching, and student support, with a view to optimising school administration and supporting teachers’ work, thereby freeing up more capacity to cater for students’ personal growth and holistic development. If the grant is used to hire staff, expenses arising from salaries, Mandatory Provident Fund contributions, and any statutory benefits under the Employment Ordinance should be met by this grant.

Grant rates

9. Posts approved for freezing under SEG will be frozen for a period of **one school year** (i.e., from 1st September to 31st August in the following year). The grant rates are determined by the average monthly salary point³ of temporary teachers for basic rank posts, or the starting salary point of the relevant promotion rank for promotion rank posts. The detailed calculation method is as follows:

Respective monthly salary of the frozen post ⁴	+		×	12 months	×	Number of frozen posts
Monthly Mandatory Provident Fund						

³ In the 2026/27 school year, the average monthly salary points of temporary teachers for Assistant Primary School Masters/Mistresses in aided primary schools and Graduate Masters/Mistresses in aided secondary schools are at Master Pay Scale Point 25 and Point 22 respectively.

⁴ Teaching posts that can be frozen **exclude the posts of Principal/Head Teacher, Native-speaking English Teacher, Student Guidance Teacher, Primary School Curriculum Leader, Special Educational Needs Coordinator and Special Educational Needs Support Teacher.**

10. The average monthly salary points used to calculate SEG rates will be reviewed every three years and revised if necessary.

Application and Disbursement Arrangements

11. Schools intending to apply for SEG should refer to the workflow at **Annex 1** and complete the application form at **Annex 2**. Applications should be submitted to the respective Regional Education Offices of the EDB **on or before 31 August each year.** **Late applications will NOT be accepted.** Schools are **NOT** allowed to submit retrospective applications for SEG for the past school years. The EDB will disburse the grant to successful applicant schools by two instalments in November (seven-twelfths of the annual provision) and June (five-twelfths of the annual provision) of the school year.

Accounting and Financial Arrangements

12. Schools receiving SEG are required to keep a separate ledger account to properly record all relevant income and expenditure items chargeable to the grant. Schools have to adhere to the EDB's requirements on submission of the annual audited accounts set out in the relevant EDB circular memoranda and letters (and the annexes therein to prepare ledger accounts and annual accounts), and submit the annual audited accounts to the EDB in accordance with the prevailing requirements. Otherwise, the EDB may require the school concerned to refund to the Government the full amount of SEG disbursed.

13. Schools must ensure that the expenditure incurred is reasonable and necessary for educational purposes, and consider carefully the interests of students and staff. Schools should also ensure that the total spending is kept within the amount of the grant and avoid deficits as far as possible. Schools may, based on their needs, flexibly deploy and make appropriate use of other government funding, including the Expanded Operating Expenses Block Grant, or other resources (such as non-government funds, and various education subsidy schemes provided by the Government or other community organisations) to achieve synergy from a complementary use of funds. If that is still not enough to cover the expenses after the deployment, it must be borne by the school's own funds.

14. When hiring staff or procuring services/platforms/software/devices using SEG, schools are required to comply strictly with relevant rules, regulations and statutory requirements in force to avoid any conflict of interest. For details, schools may refer to the prevailing EDB circulars (EDBC)/circular memoranda, for example:

[EDBC No. 3/2022:](#) Acceptance of Advantages and Donations by Schools and their Staff

[EDBC No. 4/2013:](#) Procurement Procedures in Aided Schools

EDBC No. 5/2005:	Appointment of Staff in Schools
EDBC No. 14/2023:	Measures for Strengthening the Protection of Students: Appointment of Teaching and Non-teaching Staff in Schools

Adjustment of SEG after Packing of Classes

15. In case a school happens to have packing of classes after student headcount in September, the EDB will approve its SEG application for that school year based on the revised teaching staff establishment. Besides, if schools have surplus teachers, schools should rectify the surplus situation whenever opportunities arise according to the prevailing arrangements.

Surplus Retention and Clawback Arrangements

16. Schools may accumulate a surplus up to three times the annual SEG provision for the current school year or the annual provision of the grant in each of the two previous school years in which the grant is provided, whichever is the highest. The EDB will claw back any amount in excess of the said cap based on schools' annual audited accounts. Transfer of funds/unspent balance out of the grant is not allowed. The reserve of the grant must be kept separately for control and audit purposes.

Evaluation and Accountability

17. Schools are required to observe the relevant circulars and guidelines on the use of public funds as issued by the EDB when using the grant, and must be accountable for its use. Schools receiving the grant should set out its usage at IMC meetings and in their school reports in light of their school-based circumstances and objectives.

Enquiries

18. For the latest information about SEG, schools may visit the related EDB webpage via the link below or by scanning the QR code on the right (<https://www.edb.gov.hk/en/seg>).



19. For enquiries, please contact the respective Senior School Development Officers.

Ms Ivy LAU
for Permanent Secretary for Education

School Efficiency Grant (SEG)
Workflow to Claim Cash Grant by
Freezing Approved Teaching Staff Establishment

When substantive vacant post(s) (**excluding** temporary vacancies arising from teachers on leave) exist in the approved teaching staff establishment, schools may, with the consent of their Incorporated Management Committees and a majority of teachers and parents, opt to obtain a cash grant by freezing such posts temporarily for one school year (i.e., from 1st September to 31st August in the following year) [See Note 1, Note 2 and Note 3]. Schools should submit application forms to the Education Bureau (EDB) **by 31 August each year** for the cash grant with effect in the next school year.



For freezing the approved teaching staff establishment, supervisors/heads of schools must:

- (1) complete the Application Form for SEG (the Application Form);
- (2) certify in the Application Form that they have neither applied for nor obtained the Teacher Relief Grant (TRG) or other grants from the Government in respect of the same frozen posts;
- (3) certify in the Application Form that their applications have complied with all conditions set out for SEG applications; and
- (4) undertake to refund to the Government any over-payment of the grant.



Schools submit the **original copy** of the Application Forms to their respective Regional Education Offices of the EDB **by 31 August each year** for processing.



After the respective Regional Education Offices of the EDB have approved schools' applications, the Recurrent Subventions Section releases payment to the schools. [See Note 4]

Note 1: Upon receipt of the cash grant (irrespective of whether the posts frozen are at promotion ranks or not), the total number of teachers paid out of the Salaries Grant within the approved teaching staff establishment will be reduced accordingly. For instance, if a school has an approved teaching staff establishment of 40 teaching staff (with no other grants claimed for the relevant teaching posts within the staff establishment) and opts to freeze 3 posts at promotion ranks temporarily for claiming SEG, then the school could only have a maximum of 37 teaching staff eligible for employment under the Salaries Grant. Please note that for each frozen post, schools may opt for either TRG or SEG, but cannot receive both grants concurrently for the same post.

Note 2: In cases where stepped-down senior teachers and/or redundant graduate teachers retain the last pay point of their former rank, schools can apply for freezing the substantive vacancy of the relevant promotion/graduate rank (if any) only after rectifying the special pay arrangements for the teachers concerned. Please note that if the strength of a school and the total number of the frozen posts exceed the approved teaching staff establishment, the relevant school has to refund to the EDB any over-payment of grant.

Note 3: A School Sponsoring Body (SSB) operating more than one aided primary school should coordinate the redeployment of senior teachers and promotion of teaching staff in schools under its sponsorship. Therefore, the number of vacant senior teacher posts of individual school can only be confirmed if the overall strength of senior teachers and the total number of the frozen posts of all aided ordinary primary schools under the same SSB do not exceed the aggregate approved entitlements at the SSB level. Please note that in case the strength and the total number of the frozen posts of individual school exceed the approved teaching staff establishment, the school concerned has to refund to the EDB any over-payment of grant.

Note 4: If irregularities are detected and whenever necessary, the EDB will request further information and justifications from schools for processing their applications.

To: Senior School Development Officer ()

Aided Schools with Incorporated Management Committees**Application Form for School Efficiency Grant (SEG)**

[Please read the attached personal data collection statement
carefully before completing this form.]

School Name: _____ School Code: _____

Application School Year: 20____/____

Section A Frozen posts in the approved teaching staff establishment in the application school year

Rank of post(s) to be claimed ¹	No. of vacant post(s) to be frozen (a)	Monthly salary of the post(s) ² [dollar] (b)	Monthly Mandatory Provident Fund ³ [dollar] (c)	Full-year SEG amount [dollar] (d) = (a) × [(b) + (c)] × 12
Principal Graduate Master/Mistress (PGM)				
Senior Graduate Master/Mistress (SGM)				
Graduate Master/Mistress (GM)				
Senior Primary School Master/Mistress (SPSM)				
Primary School Master/Mistress (PSM)				
Assistant Primary School Master/Mistress (APSM)				
Total no. of post(s) to be frozen			Total full-year SEG amount	

Notes

- For each frozen post, schools may opt for either Teacher Relief Grant (TRG) **or** SEG, but cannot receive both grants concurrently for the same post. Moreover, the teaching posts that can be frozen **exclude the posts of Principal/Head Teacher, Native-speaking English Teacher, Student Guidance Teacher, Primary School Curriculum Leader, Special Educational Needs Coordinator and Special Educational Needs Support Teacher.**
- Use the average monthly salary points of temporary teachers for basic ranks or starting salary points

for promotion ranks. The average monthly salary points for the purposes of calculating SEG rates will be reviewed every three years and revised if necessary. For the average monthly salary points of respective ranks, please refer to the Education Bureau (EDB) website regarding SEG (Website: <https://www.edb.gov.hk/en/seg>).

3. SEG will include employers' contribution to Mandatory Provident Fund Scheme (5% of the monthly salary or the maximum contributions as stipulated by The Mandatory Provident Fund Schemes Authority, i.e., the prevailing maximum contribution is \$1,500, whichever is less).

Section B Declaration

I certify that —

- (i) consent has been obtained from my school's incorporated management committee and a majority of teachers and parents for freezing the above teaching post(s) in the application school year;
- (ii) my school has not claimed Salaries Grant of teachers filling the vacant posts as mentioned above;
- (iii) the total number of frozen posts of my school claiming SEG (as stated in Section A) **does not exceed the ceiling of 10% of the approved teaching staff establishment (excluding the encashed fractional teaching staff entitlement) of my school in the school year (Total: _____), and this request for payment complies with all the conditions set out for SEG application**;
- (iv) my school has no surplus teachers at the claim date;
- (v) my school has not made any claim for government subventions on account of the same frozen posts set out above (including but not limited to TRG, encashment of Additional Teaching Posts for English and fractional teaching staff entitlement for claiming Fractional Post Cash Grant); and
- (vi) the sum of the total number of the frozen posts and the strength of my school does not exceed the approved teaching staff establishment at any point in time. If, under any circumstances, the amount of the approved SEG and/or other grants (including but not limited to TRG, encashment of Additional Teaching Posts for English and fractional teaching staff entitlement for claiming Fractional Post Cash Grant) needs to be adjusted, my school will refund to the EDB any over-payment of grant.

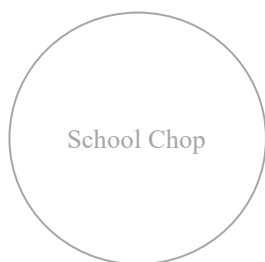
Signature of Supervisor/School Head: _____

Name of Supervisor/School Head: _____

Date: _____

Contact Person: _____

Tel No.: _____



c.c. Recurrent Subventions Section, Education Bureau [Attn.: AOI(RS)]

(June 2026)

Application Form for School Efficiency Grant
Personal Information Collection Statement

Purpose of Collection

1. The personal data provided by you in this form will be used by the Education Bureau (EDB) for one or more of the following purposes:
 - (a) Activities relating to the processing, authentication and counter-checking of notification of employment-related matters, payment of Salaries Grant and other government funding, and calculating of provident fund contribution and donation;
 - (b) Activities relating to matching of the personal data with the database of other relevant Government bureaux / departments in connection with the processing, authentication and counter-checking of the notification mentioned in (a) above;
 - (c) Activities relating to matching of the personal data within the database of the EDB for purposes of verifying / updating records of the EDB;
 - (d) Activities relating to training and development including invitation of participation in programmes/activities, applications for reimbursement of course fees, assessment of nominations, awards and scholarship, and monitoring of attainment progress;
 - (e) Activities relating to the processing and vetting of applications for, and disbursement of, funding / grants / subsidies, and conducting of audits;
 - (f) Activities relating to compilation of statistics, research and Government publications; and
 - (g) Activities relating to the administration and enforcement of rules and regulations including the Education Ordinance (Cap. 279), its subsidiary legislation (such as the Education Regulations and the Grant/Subsidized Schools Provident Fund Rules) and the Codes of Aid.
2. The provision of personal data required by this form and during the processing of this form is obligatory. In the event that you do not provide those personal data, we may not be able to handle or further process the form.

Classes of Transferees

3. The personal data you provide will be made available to persons working in the EDB. Apart from this, they may be transferred or disclosed to the parties or in the circumstances listed below:-
 - (a) other Government bureaux and departments for the purposes mentioned in paragraph 1 above;
 - (b) the school in which the form relates for the purposes mentioned in paragraph 1 above;
 - (c) where you have given your prescribed consent to such disclosure; and
 - (d) where such disclosure is authorised or required under the law or court order applicable to Hong Kong.

Access to Personal Data

4. You have the right to request access to and correction of your personal data held by the EDB. Request for access or correction of personal data should be made in writing to the respective Senior School Development Officer by post to the Regional Education Office at the address on the EDB website (<https://www.edb.gov.hk/en/contact-us/reo.html>) or email to edbinfo@edb.gov.hk.