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10 June 2006

By Fax & By Post
(Fax No. 2509 0775)

Clerk to LegCo Panel on Education
3/F Citibank Tower
3 Garden Road
Central
Hong Kong

(Attn: Miss Odelia Leung)

Dear Miss Leung

Education Panel
Follow-up to meeting on 8 May 2006

At the Education Panel meeting held on 8 May 2006, Members requested the Administration to consider extending the deadline for application under the Third Matching Grant Scheme (Third Scheme) to the next financial year so as to allow the institutions more time to raise funds for matching purposes. The Secretary for Education and Manpower (SEM) had conveyed Members' suggestion to the Financial Secretary and the Third Scheme was subsequently approved by the Finance Committee on 26 May 2006.

As explained at the Finance Committee meeting, the funding approved for the Third Matching Grant Scheme came from savings in SEM's operating expenditure envelope for the current financial year. The Secretary

for Financial Services and the Treasury further advised that extending the duration of the Third Scheme to the next financial year would require earmarking funds in advance in the 2007-08 Budget for this specific purpose. As the Budget exercise has yet to commence and in line with the principle of prudent financial planning, it would be inappropriate for the Administration to commit, at this early stage, to earmarking resources to meet the funding requirements of the Third Scheme in the next financial year. We hope Members would appreciate the difficulties involved in carrying forward the unspent funds earmarked for the Third Scheme to the next financial year.

The Third Scheme was launched on 1 June 2006 and will close at the end of February 2007. We are confident that the institutions will be able to raise funds successfully within a nine-month period and benefit from the Third Scheme.

Yours sincerely

(Mrs. Betty Fung)
for Secretary for Education and Manpower

c.c. Secretary for Financial Services and the Treasury (Fax No.2147 3873)