

立法會
Legislative Council

LC Paper No. FC133/07-08
(These minutes have been seen
by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 16th meeting
held at the Legislative Council Chamber
on Friday, 16 May 2008, at 3:00 pm**

Members present:

Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Fred LI Wah-ming, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, SBS, JP
Hon Bernard CHAN, GBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Dr Hon YEUNG Sum, JP
Hon LAU Chin-shek, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon CHOY So-yuk, JP
Hon Andrew CHENG Kar-foo

Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon LI Kwok-ying, MH, JP
Dr Hon Joseph LEE Kok-long, JP
Hon Daniel LAM Wai-keung, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG, JP
Hon KWONG Chi-kin
Hon TAM Heung-man
Hon Mrs Anson CHAN, GBM, JP

Members absent:

Dr Hon David LI Kwok-po, GBM, GBS, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Howard YOUNG, SBS, JP
Hon Vincent FANG Kang, JP
Hon Alan LEONG Kah-kit, SC
Hon CHIM Pui-chung

Public officers attending:

Mr Stanley YING, JP

Miss Amy TSE, JP

Mr Alfred FOK

Permanent Secretary for Financial Services
and the Treasury (Treasury)

Deputy Secretary for Financial Services and
the Treasury (Treasury) 1

Principal Executive Officer (General),
Financial Services and the Treasury Bureau
(The Treasury Branch)

Mr Paul TANG, JP	Permanent Secretary for Labour and Welfare
Ms Carol YIP, JP	Deputy Secretary for Labour and Welfare (Welfare) ²
Mr Stephen SUI	Commissioner for Rehabilitation Labour and Welfare Bureau
Miss Nancy LAW, JP	Deputy Director of Social Welfare (Administration)
Mr Kenneth MOK	Chief Transport Officer (Planning/Disabled Transport and Projects) Transport Department
Mr NG Wai-kuen	Chief Social Security Officer 1 Social Welfare Department
Mr Kenneth NG	Senior Statistician (Social Welfare) Social Welfare Department
Ms Betty HO	Principal Assistant Secretary for Labour and Welfare (Welfare) ³
Mrs Kathy NG	Assistant Director of Social Welfare (Elderly)
Mr Michael WONG, JP	Deputy Secretary for Education (1)
Ms Amy WONG	Principal Assistant Secretary for Education (Higher Education)
Mr Jack CHAN	Chief Executive Officer (Higher Education) Education Bureau

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
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Staff in attendance:

Ms Rosalind MA	Senior Council Secretary (1) ⁸
Ms Angel SHEK	Council Secretary (1) ²
Ms Alice CHEUNG	Senior Legislative Assistant (1) ¹
Mr Frankie WOO	Legislative Assistant (1) ²

Action

Item No. 1 - FCR(2008-09)12

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 30 APRIL 2008**

The Chairman put the item to vote. The Committee approved the proposal.

Item No. 2 - FCR(2008-09)9

HEAD 170 – SOCIAL WELFARE DEPARTMENT

- ◆ **Subhead 179 Comprehensive social security assistance scheme**
- ◆ **Subhead 180 Social security allowance scheme**

2. The Chairman informed members that the Panel on Welfare Services (WS Panel) and the Subcommittee to Study the Transport Needs of and Provision of Concessionary Public Transport Fares for People with Disabilities (the Subcommittee) were consulted on the proposal on 17 March 2008 and 11 March 2008 respectively.

3. Dr Fernando CHEUNG, Chairman of the WS Panel, said that members of the Panel welcomed the proposals of providing one-off additional payment for Comprehensive Social Security Assistance (CSSA) and Social Security Allowance (SSA) recipients. However, Panel members were of the view that the Administration should provide further assistance to the disadvantaged to cater for their needs, such as increasing the rates of Old Age Allowance (OAA), relaxing the permissible annual absence limit for OAA recipients, and reviewing the adequacy of the standard rates of CSSA in meeting the daily expenses of recipients at times of high inflation.

4. Mr LEE Cheuk-yan, Chairman of the Subcommittee, advised that members welcomed the proposal of providing a monthly transport supplement for CSSA recipients with 100% disability and for Disability Allowance (DA) recipients in the specified age group. Subcommittee members were of the view that public transport operators (PTOs) had the corporate social responsibility to provide concessionary fare to people with disabilities (PwDs). The Subcommittee passed a motion urging the Government to start discussion with MTR Corporation Limited (MTRC) on the relevant arrangements and report progress to the Subcommittee. The Subcommittee would follow up the matter on 22 May 2008.

5. Mr WONG Kwok-hing expressed support for the proposal but considered that the Administration should provide more assistance to the disadvantaged. He enquired about the timing for the additional payment to be made to the accounts of welfare recipients. The Permanent Secretary for Labour and Welfare (PSLW) responded that payments would be made to CSSA and SSA recipients around end June or early July 2008, if the Finance Committee (FC) approved the proposal.

6. Dr Fernando CHEUNG recalled that in 2007, additional payments arising from budget initiatives were made to CSSA and SSA recipients around May. He doubted why a longer lead time was required this year for effecting the additional payments. The Deputy Director of Social Welfare (Administration) (DDSW(A)) advised that some more time was required for the technical arrangements this year as the implementation of the welfare-related proposals in the 2008-2009 Budget was of greater complexity. DDSW(A) assured members that the Administration would effect payment to welfare recipients as soon as practicable following FC's approval.

7. Mr LEUNG Yiu-chung considered that the provision of one-off additional payment could not alleviate the hardship on welfare recipients in the face of high inflation. Mr LEUNG and Dr Fernando CHEUNG urged the Administration to review the standard rates of CSSA and SSA to enable timely increase to be made at times of inflation. Mr Frederick FUNG considered that the adjustment mechanism should be revised so that the rates would be increased in anticipation of future inflation, while reduction should only be made after the rate of deflation had been confirmed. He opined that the Administration should be more generous to the welfare recipients by giving more than one month of additional payment in view of the substantial fiscal surplus and rising inflation.

8. PSLW responded that it was inevitable that there were discrepancies in the forecast and actual inflation rates and it would be more appropriate to adjust according to the latter. He pointed out that apart from the additional one-month CSSA and DA payments, the Administration also proposed to adjust the CSSA standard payment rates in accordance with the existing mechanism ahead of the normal schedule this year, so as to ease the impact of rising prices on CSSA households. The Administration planned to seek FC's approval of the financial proposal in June 2008.

9. Mr Andrew LEUNG said that Members belonging to the Liberal Party supported the current funding proposal. Expressing concern about the impact of inflationary pressure on the disadvantaged, Mr LEUNG opined that the Administration should adopt the most up-to-date statistics for the adjustment of CSSA standard rates. PSLW responded that if the proposal to adjust CSSA standard payment rates ahead of the normal schedule had the approval of FC in June 2008, the Administration would take forward the review of the rates making reference to the latest figures on the Social Security Assistance Index of Prices up to end April 2008.

The Old Age Allowance Scheme

10. Dr YEUNG Sum said that Members belonging to the Democratic Party (DP Members) generally supported the funding proposal. Nevertheless, Dr YEUNG referred to the result of a recent opinion poll conducted by the Chinese University of Hong Kong that over 70% respondents expressed support for the increase of OAA rates. He pointed out that the Financial Secretary (FS)'s remarks made in his Budget Speech on not increasing the OAA rates was contrary to the view of the community. Ms Emily LAU, Mr LEE Cheuk-yan and Mr Frederick FUNG also urged the Administration to respond positively to the community's request for increasing the OAA rate to \$1,000.

11. Mr WONG Kwok-hing opined that the Administration should abolish the annual absence limit from Hong Kong for OAA, as adequate public resources were available given the substantial fiscal surplus. Since the Administration planned to complete a review of the OAA Scheme by the end of 2008, Mr WONG asked whether the target date for the review could be advanced. Dr YEUNG Sum also urged the Administration to respond to the request of OAA recipients for further relaxing the annual absence limit.

12. PSLW advised that the Administration would commence the review shortly with a view to completing it around end 2008. He pointed out that the measure of imposing an annual permissible limit of absence for OAA aimed to ensure that public funds were spent on Hong Kong residents who regarded Hong Kong as their permanent residence. He advised that the views on the OAA rates and the absence limit would be taken into account in the upcoming review. Responding to Mr LEE Cheuk-yan's further enquiry about immediate relief measures to help the elders before completion of the review, PSLW said that the provision of the \$3,000 one-off grant could, to some extent, provide relief to the elders in need.

13. Mr LAU Kong-wah pointed out that OAA recipients might have difficulties in calculating their absence days, hence exceeding the 240 days annual absence limit inadvertently. He was concerned that these elders would have financial difficulties in refunding the OAA payments to the Government for exceeding the absence limit. He asked the Administration to relax the absence limit before conducting the overall review of the OAA Scheme. PSLW responded that a comprehensive review of the OAA Scheme was more desirable as any changes to the Scheme would have long-term financial implications. PSLW assured members that the Administration would endeavour to complete the review by end 2008.

14. Miss CHAN Yuen-han pointed out that, at the Question and Answer Session on 15 May 2008, the Chief Executive (CE) had undertaken to include in his upcoming Policy Address in October 2008 initiatives to tackle the problem of poverty and to alleviate inflationary pressure on the disadvantaged. She queried that completing the review of OAA in end 2008 would not align with CE's undertaking. Miss CHAN called on the Administration to devise relief measures for the elderly and low-income households expeditiously.

15. PSLW advised that as FS had explained in his Budget Speech, the impact of increasing the OAA rates on public finances in the long run had to be examined in detail when examining how the Scheme should be improved. He pointed out that the OAA Scheme was non-means-tested other than the requirements on income and assets levels for persons aged between 65 and 69, while elders in greater financial needs could seek assistance under the CSSA Scheme. The proposal of a one-off grant of \$3,000 to OAA recipients would provide immediate relief to elders pending a decision on improvements to the OAA Scheme.

Transport supplement for welfare recipients with disabilities

16. Dr YEUNG Sum was concerned that the proposed monthly transport supplement for welfare recipients with disabilities was inadequate as PwDs who were not CSSA or DA recipients could not benefit from the proposal. He urged the Administration, being the major shareholder of the MTRC, to take a bigger step forward in providing public transport fare concessions for PwDs.

17. PSLW responded that the Administration would continue to discuss with PTOs arrangements for provision of fare concessions for PwDs. As applicants for DA were not subject to means test, the proposed transport supplement would benefit PwDs regardless of their income or assets levels.

18. Mr LEUNG Yiu-chung asked whether the Administration would pursue the MTRC's proposal of adopting a shared responsibility approach, i.e. the Government and the PTOs would share out the costs for the fare concessions. Mr LEUNG pointed out that the Subcommittee had discussed arrangements for provision of concessionary fares to PwDs with the Administration and the PTOs for quite a long time but to no avail. He doubted whether the Administration could achieve anything in this regard if it was not prepared to contribute funds for the fare concessions but simply relied on PTOs to provide concessions in the spirit of corporate social responsibility.

19. PSLW said that the Subcommittee had in-depth discussions on the provision of financial assistance to PwDs to subsidize their transport expenses. Having carefully considered the option proposed by the MTRC and the views of the Subcommittee and parties concerned, the Administration proposed to provide a monthly transport supplement to PwDs through the existing CSSA and DA payment system. There were a number of merits in the proposal. It could be implemented within a short lead-time after securing funding approval. It was the most flexible arrangement as PwDs concerned were free to decide how to make the best use of the additional supplement to meet their transport needs. The Transport and Housing Bureau would follow up on the motion passed by the Subcommittee for the provision of public transport fare concessions. He stressed that the Administration would encourage PTOs to use their own resources to provide other concessionary schemes for PwDs for fulfilment of their corporate social responsibility.

20. Ms Emily LAU shared the view that the Administration could hardly make any progress in the provision of public transport fare concession through continued discussions with PTOs. She criticized the Administration for maintaining a rigid approach despite strong public calls and Members' consensus view for the Administration to pursue public transport fare concessions proactively. Ms LAU considered that the proposed monthly transport supplement of \$200 was inadequate to meet PwDs' needs, and asked the Administration to consider providing half-fare concessions to PwDs.

21. PSLW advised that the Administration had taken a step forward by providing a monthly transport supplement to PwDs from the welfare policy perspective. He reiterated that the Administration would continue to work with PTOs for further measures to provide incentives for PwDs to participate in activities away from home. He advised that the proposed amount of monthly transport supplement was worked out with reference to an earlier survey conducted by the University of Hong Kong (HKU) on the travelling characteristics of PwDs. The Commissioner for Rehabilitation (C for R) added that to meet the basic transport needs of PwDs, the

Government had all along, in addition to the provision of Rehabus service, provided PwDs with financial assistance through the CSSA and DA payments. The monthly supplement would provide additional incentive to encourage PwDs to participate more in social activities, thereby facilitating their integration into the community. C for R advised that according to the findings of the survey conducted by HKU, the monthly travelling expenses on public transport of a PwD would be around \$190 if half-fare concessions were offered by PTOs. The proposed \$200 monthly transport supplement was therefore considered reasonable on the basis of the survey findings.

22. Dr Fernando CHEUNG pointed out that the survey of HKU also revealed that PwDs would double their public transport trips if half-fare concessions were provided. The proposed amount of monthly transport supplement would not adequately facilitate integration of PwDs into the community. Dr CHEUNG was of the view that as profit-making companies, PTOs would normally accord priority to their corporate goal of making profits rather than the social responsibility of caring for the community. He would not accept the arrangements of the Government providing only a monthly transport supplement without half-fare concessions to PwDs.

23. Mr LEE Cheuk-yan said that the Subcommittee had in past years put forward the request for half-fare concessions for PwDs to PTOs. While noting that the Administration had taken a step forward by providing a monthly supplement, Mr LEE was of the view that the \$200 supplement could only cover the increase in transport costs but could not help PwDs' integration into the community. He urged the Government, as the major shareholder of the MTRC, to honour CE's undertaking at the Question and Answer Session on 15 May 2008 for according high priority to matters of public interest, by taking forward the issue of public transport fare concessions.

24. Mr LAU Kong-wah pointed out that the Subcommittee had requested for half-fare concessions for PwDs by way of a simple arrangement such as issuing concession cards to PwDs. The Government could settle the transport costs with PTOs on the basis of the actual number of trips travelled by cardholders. The funding requirement for implementing the above proposal was estimated to be below \$100 million, and the Government should have adequate resources to pursue this. Mr Frederick FUNG shared Mr LAU's view that the Government should consider devising additional measures to cater for the transport needs of PwDs.

25. PSLW reiterated that the Administration would continue to work with PTOs on the Subcommittee's request for fare concessions and would further discuss with the Subcommittee at the meeting scheduled for 22 May 2008. He pointed out that other measures and assistance were in place to cater for the transport needs of PwDs, such as the Rehabus service and the financial assistance under the non-means-tested DA Scheme.

26. Mr Albert HO expressed dissatisfaction that the Government had allocated more resources for returning wealth to taxpayers than for relief measures to alleviate

the hardship of those in poverty. Mr HO was concerned that given the rising public transport fare and the inadequate provision of Rehabus service, wheelchair users had great difficulties in travelling. Mr HO enquired whether the \$200 monthly transport supplement would only be paid to CSSA and DA recipients with 100% disability who required constant attendance.

27. C for R explained that the current proposal was to provide a monthly transport supplement to PwDs aged between 12 and 64 who were either recipients of CSSA with 100% disability or recipients of DA. The requirement of constant attendance was not a pre-requisite. For PwDs requiring constant attendance, they would be eligible for payment of higher rates under the CSSA and DA Schemes, and would also be eligible for the transport supplement under the current proposal. As the proposal was to provide additional financial assistance to PwDs for their transport expenses under the current welfare schemes, DDSW(A) advised that the transport supplement would not be payable to PwDs who were neither CSSA nor DA recipients.

28. As regard Mr Albert HO's request for extending the target group to include all wheelchair users, PSLW advised that the provision of the transport supplement was to help those PwDs who were most in need. Extending the proposal to other target groups involved medical judgement of the nature and extent of disability of the recipients, and this was beyond the scope of the current proposal.

29. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 3 - FCR(2008-09)10

HEAD 170 – SOCIAL WELFARE DEPARTMENT

◆ Subhead 700 General non-recurrent

New Item “Home Environment Improvement Scheme for the Elderly”

30. The Chairman informed members that the WS Panel was consulted on the proposal on 17 March 2008.

31. Dr Fernando CHEUNG, Chairman of the WS Panel, said that the Panel welcomed the proposed Home Environment Improvement Scheme for the Elderly. Some members were concerned that the \$5,000 ceiling for the proposed subsidy for each eligible elderly household might not be adequate for improvement of their home environment. Some members suggested extending the Scheme to include PwDs as well.

32. Miss CHAN Yuen-han, Mr WONG Kwok-hing and Ms Miriam LAU enquired whether eligible applicants could get the maximum subsidy of \$5,000 or only the amount after deducting the administration costs to be charged by the delivery agencies. Miss CHAN and Ms LAU were concerned about the adequacy of \$5,000 for providing the necessary improvement works and fittings given the rising costs of repairs and renovation.

33. PSLW clarified that provision had been set aside for the administration costs for participating District Elderly Community Centres (DECCs) under the current funding proposal. No administration cost would be deducted from the subsidy to successful applicants for DECCs to implement the Scheme. PSLW advised that the proposed \$5,000 ceiling was worked out with reference to market prices on minor household maintenance and fittings. DECCs would be encouraged to engage non-profit-making community organizations and social enterprises for service delivery under the Scheme, which would provide home modification, renovation and repair services at comparatively lower costs. For larger scale repair and maintenance work, the elderly owners could apply for assistance under the new Building Maintenance Grant Scheme for Elderly Owners initiated by the Development Bureau. In response to Ms Miriam LAU's further enquiry, PSLW advised that the proposed Scheme included essential household items such as refrigerators, heaters and electric fans.

34. Miss CHAN Yuen-han considered that delivery agencies should exercise flexibility in the assessment of applications, as some of them were inclined to adopt a cautious approach in the assessment process.

35. PSLW responded that the eligibility criteria were simple and straightforward. The Social Welfare Department (SWD) would work with DECCs concerned to allow flexibility in making special arrangements for individual cases where warranted.

36. Dr Fernando CHEUNG was of the view that Government subsidy should also be provided to PwDs to improve their home environment. He urged the Administration to study the needs of PwDs in this regard with a view to launching a similar subsidy scheme targeted at PwDs. PSLW advised that the Scheme aimed at providing subsidy to elders. PwDs aged 60 or above could apply for subsidy under the Scheme. The Administration would consider the needs of PwDs aged below 60 after the proposed Scheme had been implemented for some time.

37. Dr Fernando CHEUNG referred to a scheme operated by the St James Settlement since the 1990s whereby home renovation and maintenance services were provided by volunteers to elders. He asked whether the proposed Scheme would have impact on the continued operation of such voluntary schemes. Assistant Director of Social Welfare (Elderly) advised that implementation of the proposed Scheme should have synergy effect on similar schemes operated by volunteers. Two centres operated by the St James Settlement would be engaged as delivery agencies under the proposed Scheme.

38. Mr Albert HO was concerned about the income limits under the proposed Scheme and asked if they were on a par with a similar home improvement scheme offered by the Hong Kong Housing Society (HKHS). He asked whether discretionary consideration could be given under the proposed Scheme for improving the conditions of residential properties rented out by elders.

39. The Deputy Secretary for Labour and Welfare (Welfare)2 (DS(W)2) advised that the income limits for the proposed Scheme were the same as those under the Building Maintenance Grant Scheme for Elderly Owner recently implemented by HKHS and that of the Normal OAA Scheme. The eligibility criteria for the proposed Scheme were more lenient than that of HKHS's scheme as no asset limits would be imposed. Subject to their meeting the living in and income limits criteria, elders could apply for the subsidy to improve the conditions and fittings of their homes. For cases where the eligible elders were not the owners of their residences, agreement of the landlords had to be obtained before they could be granted with the subsidy to improve their home environment.

40. Mr WONG Kwok-hing asked whether elders who had rented out part of the self-owned flat they were living in would be eligible for the subsidy under the proposed Scheme. PSLW responded that if the elders concerned met the income and eligibility criteria of the proposed Scheme, they could apply for the subsidy.

41. Ms Miriam LAU enquired whether elders living with spouse aged below 60 would be eligible for the subsidy under the proposed Scheme. DS(W)2 explained that the proposed Scheme targeted at elders without family support, who lived in dilapidated homes with poor fittings and lacked financial means to improve their home conditions. Nevertheless, SWD would advise the delivery agencies to exercise flexibility in processing applications so that consideration could be given to special cases of needy elders. Regarding Ms LAU's further enquiry, DS(W)2 advised that the proposed Scheme would cover elders living in caged homes.

42. Mr WONG Kwok-hing expected that the proposed Scheme would increase the employment opportunities for workers in the maintenance and renovation sectors. He enquired about the number of jobs to be created. PSLW advised that the Administration hoped that the proposed Scheme could create jobs through the engagement of social enterprises in the provision of home repair and maintenance services. Nevertheless, it would be too early to anticipate the number of jobs to be created under the proposed Scheme. The Administration would review the effects of the Scheme some time after implementation.

43. Mr LEUNG Kwok-hung opined that many needy elders were living in homes of poor conditions without necessary fittings such as lightings and electric fans. The maximum subsidy of \$5,000 was barely adequate for purchasing the household items and could not meet the costs for renovation. He was of the view that instead of implementing schemes with limited scopes to provide financial assistance to the needy elders, the Administration should give consideration to increasing the OAA rates to \$1,000 so that elders could have better means to make their ends meet.

44. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 4 - FCR(2008-09)11

HEAD 173 – STUDENT FINANCIAL ASSISTANCE AGENCY

◆ Subhead 700 General non-recurrent

Item 920 Financial Assistance Scheme for Designated Evening Adult Education Courses

45. The Chairman advised that the Panel on Education was consulted on this proposal on 26 March 2008 and 14 April 2008 respectively.

46. Mr Jasper TSANG, Chairman of the Panel on Education, said that Panel members supported in general the proposal to continue the Financial Assistance Scheme for Designated Evening Adult Education Courses with expanded scope to cover junior secondary courses, and to add a 50% tuition fee reimbursement assistance level. Panel members considered that the Administration should further enhance support for students attending designated evening adult education courses, including provision of 12-year free education to adult learners, disbursement of tuition fees before the commencement of a school year and establishment of designated centres in remote areas. The Administration had undertaken to review the enhanced Scheme after the completion of the 2008-2009 school year.

47. Mr CHEUNG Man-kwong said that DP Members supported the proposal in principle. He nevertheless called on the Administration to review its policy on adult education expeditiously with a view to expanding the scope of 12-year free education to include adult learners. Mr CHEUNG pointed out that adult learners should have the opportunity to receive free basic education so that they could attain the basic academic qualification for employment purpose. Mr CHEUNG also suggested that, to enable adult learners to have greater flexibility in choosing the education centres to pursue their studies, a voucher scheme should be considered for adult learners attending evening secondary courses operated by other non-profit-making course providers. Ms Emily LAU shared similar views.

48. The Deputy Secretary for Education (1) (DS(Ed)1) advised that the Administration had noted the views and suggestions of members of the Panel on Education. The Administration had undertaken to review the enhanced Scheme after the completion of the 2008-2009 school year. He pointed out that out of the 5 000 students enrolled in mainstream evening secondary schools in 2007-2008, about 4 000 were taking courses offered by private evening schools. The respective figures back in 1998-1999 were 19 000 and 12 000. The substantial enrolment figures for private evening schools showed the merits of having different modes of service provision for evening secondary education, i.e. through private course providers and approved course providers receiving Government subvention.

49. Mr CHEUNG Man-kwong asked about the amount of additional funding required for extending the Scheme to cover the some 4 000 students taking courses offered by private evening schools. DS(Ed)1 responded that given the variation in

tuition fees charged by different course providers, he was unable to give an estimate on the additional costs required at this meeting. He believed that Mr CHEUNG's suggestion would incur a rather substantial increase in cost for the Scheme. Mr CHEUNG was of the view that the Government should have adequate resources for providing assistance to 4 000 more adult learners under the Scheme.

50. Mr LEE Cheuk-yan said that the Hong Kong Confederation of Trade Unions supported the provision of more opportunities for adult learners to pursue basic education. Unlike skill upgrading or vocational training programmes, mainstream evening secondary courses provided opportunity for adult learners to pursue higher education. Mr LEE therefore urged the Administration to provide free 12-year education also to adult learners. As regards the recent decline in student enrolments, Mr LEE believed that it was the result of an increase in tuition fees following the outsourcing of evening adult education courses to non-profit-making course providers in September 2003. While expressing support for the current proposal of expanding the scope of the Scheme to junior secondary courses, Mr LEE stressed that the Administration should conduct a comprehensive review of the adult education policy in view of the latest socio-economic conditions and the shortfall in manpower with higher academic qualifications.

51. DS(Ed)1 explained that, in outsourcing evening adult education courses, the Administration had taken into account the enrolment trend and effective use of public money. With the proliferation of a wider range of courses/programmes that provided an alternative path for adult learners, including Project Yi Jin (PYJ), the Skills Upgrading Scheme(SUS) and the Continuing Education Fund (CEF), enrolment for mainstream evening adult education courses had experienced a decline in the past years, though the number started to stabilize since 2003-2004. In recent years, the total enrolment number for approved courses under the Scheme and courses offered by private evening schools had hovered around 5 000 each year (including some 300 enrolment for junior secondary courses), which demonstrated a steady and continuous demand for evening mainstream secondary courses and worthiness to continue the Scheme.

52. Mr LEE Cheuk-yan and Dr Fernando CHEUNG suggested that the possibility of providing daytime mainstream secondary courses for adult learners should be explored, to cater for the needs of special groups of learners such as single parents. DS(Ed)1 responded that most of the existing evening secondary courses were operated in premises that were used for other daytime courses. Provision of daytime secondary courses for adult learners would give rise to increase in operating costs, and concerns about availability of premises and teaching staff. The practicability of such suggestion could be further examined during the upcoming review of the enhanced Scheme.

53. Dr Fernando CHEUNG welcomed the proposed improvements to the Scheme. Noting that the Scheme had an unspent balance of about \$29 million by the end of the 2007-2008 school year, Dr CHEUNG strongly urged the Administration to provide

full remission of course fees starting from the 2008-2009 school year. Ms Emily LAU shared the view and expressed strong dissatisfaction that the Administration had not responded positively to Panel members' request for improving the Scheme. She saw no reasons for further delaying the provision of full remission of tuition fees which would only incur additional annual commitment of a few million dollars. Ms LAU also disagreed that courses/programmes such as PYJ, SUS and CEF, which provided training on a short-term basis, could provide continued education opportunities to adult learners comparable to mainstream secondary courses.

54. Mr Albert HO considered that the Administration should not mix up the purposes and functions of courses providing mainstream education and vocational training. Mr HO opined that adult learners who did not have the chance to receive basic education in earlier ages should have the right to complete their secondary studies. There should be free basic education for working adults who wished to pursue higher education through evening courses.

55. DS(Ed)1 said that the Administration had, through different assistance schemes, encouraged adult learners to pursue further education. Incentives and assistance had been provided in a practicable and reasonable manner through subsidizing adult learners in taking up evening secondary courses with attendance requirement for reimbursement of tuition fees. He reiterated that the Administration would explore in the coming review whether and how the enhanced Scheme could be further improved.

56. Ms Audrey EU shared the view that free education should be provided to adult learners under the Scheme. She said that there were successful cases around to prove that people deprived of basic secondary education in their early ages, when given a second chance to pursue such in adulthood, could advance their education and career paths. She considered that full subsidy for adult learners attending mainstream secondary courses was worth pursuing to encourage lifelong learning.

57. Mr LEUNG Kwok-hung opined that the Administration's policy was far from satisfactory in encouraging adult learners to pursue higher education. He considered that education was a basic human right especially in an information-led economy. He suggested that the Administration should extend the provision of 12-year free education to adult learners immediately on a trial basis and review its effectiveness afterwards.

58. The Chairman put the item to vote. The Committee approved the proposal.

59. The meeting was adjourned at 5:00 pm.