

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

Controlling officer: the Controller, Student Financial Assistance Agency will account for expenditure under this Head.

Estimate 2003–04 **\$3,810.7m**

Establishment ceiling 2003–04 (notional annual mid-point salary value) representing an estimated 201 non-directorate posts as at 31 March 2003 rising by three posts to 204 posts as at 31 March 2004..... **\$67.3m**

In addition there will be one directorate post as at 31 March 2003 and as at 31 March 2004.

Capital Account commitment balance **\$4,984.8m**

Controlling Officer's Report

Programme

Student Assistance Scheme

This programme contributes to Policy Area 16: Education (Secretary for Education and Manpower) and Policy Area 34: Manpower Development (Secretary for Education and Manpower).

Detail

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	2,307.3	2,737.0 (+18.6%)	2,621.6 (–4.2%)	3,810.7 (+45.4%)

Aim

2 The aim is to administer efficiently and cost-effectively various student financial assistance schemes, scholarships and merit award schemes.

Brief Description

3 The Agency provides publicly-funded financial assistance in the form of grants and loans to students of different levels and administers privately donated and publicly-funded scholarship schemes. The scholarships, merit awards and related schemes include the Sir Edward Youde Memorial Fund Scholarships, and some 170 scholarships under the Education Scholarships Fund. Financial assistance mainly takes the form of:

- means-tested grants and loans† under the Local Student Finance Scheme for eligible full-time students of publicly-funded institutions, i.e. University Grants Committee - funded institutions, the Hong Kong Institute of Vocational Education of the Vocational Training Council, the Hong Kong Academy for Performing Arts and the Dental Technology Course at the Prince Philip Dental Hospital;
- means-tested grants and loans† under the Financial Assistance Scheme for Post-secondary Students for eligible full-time students aged 25 or below pursuing accredited, self-financing post-secondary education programmes;
- means-tested grants and loans† under the Student Finance Assistance Scheme for eligible full-time students registered in the 2000/01 academic year or before at the Hong Kong Shue Yan College (HKSYC);
- non-means tested loans† for eligible students of publicly-funded institutions, the Open University of Hong Kong, the HKSYC, accredited post-secondary institutions and persons pursuing continuing and professional education courses provided in Hong Kong by registered schools, non-local universities and professional and recognised training bodies;
- allowances under the Travel Subsidy Schemes for needy primary students aged below 12 who attend public sector schools outside their residing Primary One Admission Net, and needy students aged 12 and above who have not completed their first degree, provided that these students are living beyond ten minutes' walking distance from their schools and meeting other criteria of the schemes;
- fee remission under the Senior Secondary Fee Remission Scheme§ for senior secondary students (Secondary 4-7) in public sector schools and the Examination Fee Remission Scheme for needy Secondary 5 and Secondary 7 students taking public examinations conducted by the Hong Kong Examinations and Assessment Authority;
- means-tested grants under the School Textbook Assistance Scheme for students in public sector schools and local private schools under the Direct Subsidy Scheme;

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- fee remission under the Kindergarten Fee Remission Scheme for needy kindergarten pupils; and
- tuition fee reimbursement under the Continuing Education Fund, which was set up in June 2002, for eligible persons pursuing continuing education and training in specified sectors.

† Loans disbursed under these schemes are provided under the Loan Fund. Details are provided in Volume II.

§ The amount of fee remission is not shown as an expenditure item here as it is deducted from the revenue in respect of school fees collected by aided schools, or by the Education and Manpower Bureau in case of government schools.

4 The key performance measures in respect of the student financial assistance schemes promulgated in the Agency's performance pledge are:

Targets

	Target Processing Time for Applications (Months)	Academic Year		
		2001/02 (Actual)	2002/03 (Revised Estimate)	2003/04 (Plan)
Local Student Finance Scheme				
current students.....	2	2	2	2
new students.....	2	2	2	2
review of financial assistance.....	2½	2½	2½	2½
Financial Assistance Scheme for Post-secondary Students				
current students.....	2	—	2	2
new students.....	2	2	2	2
review of financial assistance.....	2½	2½	2½	2½
Non-means Tested Loan Scheme.....	3@	3@	3@	3@
Student Finance Assistance Scheme.....	4	4	4	4
Kindergarten Fee Remission Scheme.....	2	2	2	2
Continuing Education Fund.....	2@	—	2@	2@
Financial assistance for primary and secondary school students^Ω				
Student Travel Subsidy Scheme				
secondary/primary students.....	4	4	—	—
tertiary students.....	3	3	—	—
Travel Subsidy Scheme for Primary School Pupils.....	4	4	—	—
Senior Secondary Fee Remission Scheme.....	2	2	—	—
School Textbook Assistance Scheme	4	4	—	—

@ Target processing time in weeks.

Ω With effect from the 2002/03 academic year, the application procedures for financial assistance including those under the Student Travel Subsidy Scheme, Travel Subsidy Scheme for Primary School Pupils, Senior Secondary Fee Remission Scheme and School Textbook Assistance Scheme have been simplified by enabling applications for different schemes to be made in one family-based application form. Hence separate targets will not be set for individual schemes with effect from the 2002/03 academic year.

Indicators

	Academic Year		
	2001/02 (Actual)	2002/03 (Revised Estimate)	2003/04 (Estimate)
Local Student Finance Scheme			
no. of applications.....	39 666	41 459	42 904
funds disbursed (\$m) (including grants and loans†).....	1,362.5	1,484.2	1,551.8
no. of applications/post.....	249	269	282
Financial Assistance Scheme for Post-secondary Students			
no. of applications.....	4 093	6 167	8 695
funds disbursed (\$m) (including grants and loans†).....	51.1	128.9	181.6
no. of applications/post.....	171	187	198

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	<i>Academic Year</i>		
	2001/02 (Actual)	2002/03 (Revised Estimate)	2003/04 (Estimate)
Non-means Tested Loan Scheme			
no. of applications	24 032	32 803	42 494
funds disbursed (\$m) (loans†)	557.9	819.2	1,064.7
no. of applications/post	453	515	607
Student Finance Assistance Scheme			
no. of applications	895	602	365
funds disbursed (\$m) (including grants and loans†)	15.0	10.5	6.3
no. of applications/post	895	602	365
Kindergarten Fee Remission Scheme			
no. of applications	67 979	66 219	65 905
funds disbursed (\$m)	386.8	509.0	521.7
no. of applications/post	1 942	2 167	2 197
Scholarships, Merit Awards and related Schemes			
no. of applications	19 419	19 839	20 676
no. of scholarships, grants and awards granted	11 098	9 869	10 061
amount of scholarships, grants and awards disbursed (\$m)#	48.2	47.5	47.0
no. of applications/post	1 022	1 167	1 216
Continuing Education Fund (set up in June 2002)			
no. of applications	N.A.	40 168	100 000
funds disbursed (\$m)	N.A.	84.5	1,000.0
no. of applications/post	N.A.	1 148	2 857
Financial assistance for primary and secondary school students§			
no. of applications	N.A.	299 480	300 926
no. of eligibility certificates issued	N.A.	547 492	550 137
no. of applications/post	N.A.	3 523	3 582
Student Travel Subsidy Scheme			
no. of applications	225 167	N.A.	N.A.
no. of eligible applications	209 150	233 457	239 124
funds disbursed (\$m)	379.6	433.5	478.1
Travel Subsidy Scheme for Primary School Pupils			
no. of applications	36 549	N.A.	N.A.
no. of eligible applications	28 832	33 116	34 527
funds disbursed (\$m)	37.9	43.7	46.2
Senior Secondary Fee Remission Scheme			
no. of applications	102 039	N.A.	N.A.
no. of eligible applications	95 286	99 018	101 654
fees remitted (\$m)	361.8	396.5	402.9
Examination Fee Remission Scheme			
no. of applications	12 105	N.A.	N.A.
no. of eligible applications	11 682	15 742	15 721
funds disbursed (\$m)	12.0	16.3	16.2
School Textbook Assistance Scheme			
no. of applications	389 837	N.A.	N.A.
no. of eligible applications	367 126	403 448	405 260
funds disbursed (\$m)	480.8	543.6	547.5

† Loans disbursed under these schemes are provided under the Loan Fund. Details are provided in Volume II.

Most of the funds disbursed are under the control of the donors or their trustees.

§ With effect from the 2002/03 academic year, the application procedures for financial assistance including those under the Student Travel Subsidy Scheme, Travel Subsidy Scheme for Primary School Pupils, Senior Secondary Fee Remission Scheme, Examination Fee Remission Scheme and School Textbook Assistance Scheme have been simplified by enabling applications for different schemes to be made in one family-based application form. Hence there will not be separate indicators for applications under individual schemes with effect from the 2002/03 academic year.

5 In the 2001/02 academic year, the overall number of applications registered a further increase over the previous academic year. Despite the large volume of over 921 000 applications received, the Agency was generally able to process all applications with complete information within the time frame as pledged.

Matters Requiring Special Attention in 2003–04

6 During 2003–04, the Agency will review the criteria and the appropriate levels of assistance for travel allowances under the Student Travel Subsidy Scheme and the Travel Subsidy Scheme for Primary School Pupils.

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ANALYSIS OF FINANCIAL PROVISION

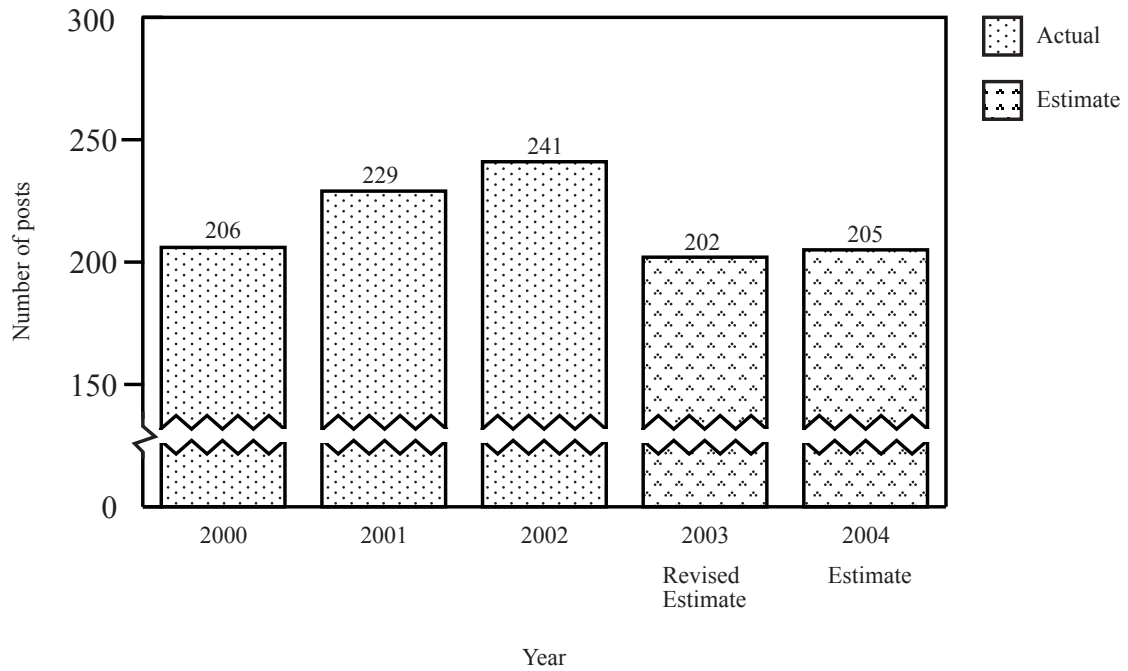
Programme	2001-02 (Actual) (\$m)	2002-03 (Approved) (\$m)	2002-03 (Revised) (\$m)	2003-04 (Estimate) (\$m)
Student Assistance Scheme.....	2,307.3	2,737.0 (+18.6%)	2,621.6 (-4.2%)	3,810.7 (+45.4%)

Analysis of Financial and Staffing Provision

Provision for 2003-04 is \$1,189.1 million (45.4%) higher than the revised estimate for 2002-03. This is mainly due to an anticipated increase in payments for reimbursement of course fees under the Continuing Education Fund, and an expected increase in the number of successful applications and the average levels of assistance under the various student financial assistance schemes.

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



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Sub-head (Code)	Actual expenditure 2001-02	Approved estimate 2002-03	Revised estimate 2002-03	Estimate 2003-04
	\$'000	\$'000	\$'000	\$'000
Recurrent Account				
000	Operational expenses.....	—	—	129,246
228	Student financial assistance	—	—	2,670,058*
	Salaries	72,328	78,162	74,481
	Allowances	1,568	1,990	1,464
	General departmental expenses	30,890	44,557	49,555
	Remission of examination fees	12,017	16,302	16,302
	Scholarships, bursaries and maintenance grants	10,689	10,306	9,498
	Textbooks and stationery grants	480,670	606,662	543,576
	Travel subsidy for primary school pupils	37,777	55,364	43,717
	Kindergartens-fee assistance	383,210	535,227	485,262
	Means-tested grant for post-secondary students	16,012	47,202	57,202
	Student finance-grants	880,050	884,671	890,671
	Student travel scheme.....	382,122	456,600	433,483
	Total, Recurrent Account	2,307,333	2,737,043	2,605,211
Capital Account				
II — Other Non-Recurrent				
700	General other non-recurrent	—	—	16,360
	Total, Other Non-Recurrent	—	—	16,360
	Total, Capital Account	—	—	16,360
	Total Expenditure.....	2,307,333	2,737,043	2,621,571

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Details of Expenditure by Subhead

The estimate of the amount required in 2003–04 for the salaries and expenses of the Student Financial Assistance Agency is \$3,810,654,000. This represents an increase of \$1,189,083,000 over the revised estimate for 2002–03 and of \$1,503,321,000 over actual expenditure in 2001–02.

Recurrent Account

2 Provision of \$129,246,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the Student Financial Assistance Agency and its other operating expenses.

3 The establishment as at 31 March 2003 will be 202 permanent posts. It is expected that three posts will be created in 2003–04. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2003–04, but the notional annual mid-point salary value of all such posts must not exceed \$67,327,000.

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

	2001–02 (Actual) (\$'000)	2002–03 (Original Estimate) (\$'000)	2002–03 (Revised Estimate) (\$'000)	2003–04 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	72,328	78,162	74,481	73,290
- Allowances.....	1,568	1,990	1,464	2,082
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	—	—	33
Departmental Expenses				
- General departmental expenses.....	30,890	44,557	49,555	53,841
	104,786	124,709	125,500	129,246

5 Provision of \$2,670,058,000 under *Subhead 228 Student financial assistance* is for the payment of financial assistance under various schemes to students of all levels of study in meeting their education expenses, such as tuition and examination fees, textbooks and other academic and travel expenses. The provision used to be distributed among eight separate subheads along the lines of different schemes. The amalgamation into one subhead will provide added flexibility in meeting the requirements of these various schemes.

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Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2002	Revised estimated expenditure for 2002-03	Balance
			\$'000	\$'000	\$'000	\$'000
700		<i>General other non-recurrent</i>				
	508	Continuing Education Fund.....	5,000,000	—	16,000	4,984,000
	509	Survey on student travel patterns and expenditure	1,200	—	360	840
		Total.....	5,001,200	—	16,360	4,984,840
			5,001,200	—	16,360	4,984,840