

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

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

Estimate 2005–06	\$3,722.8m
Establishment ceiling 2005–06 (notional annual mid-point salary value) representing an estimated 194 non-directorate posts as at 31 March 2005 and as at 31 March 2006.	\$61.3m
In addition, there will be one directorate post as at 31 March 2005 and as at 31 March 2006.	
Commitment balance	\$4,578.5m

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

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	2,709.6	3,748.6	3,065.4 (–18.2%)	3,722.8 (+21.4%)
				(or –0.7% on 2004–05 Original)

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 Prince Philip Dental Hospital (as relates to the Dental Technology Course);
- 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 Student Travel Subsidy Scheme for needy students who are receiving formal primary or secondary education or attending a full-time day course up to first degree, provided that these students are living beyond ten minutes' walking distance from their schools and have passed the means test;
- fee remission under the Senior Secondary Fee Remission Scheme§ for needy 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;

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- means-tested grants under the School Textbook Assistance Scheme for students in public sector schools and local private schools under the Direct Subsidy Scheme;
- fee remission under the Kindergarten Fee Remission Scheme for needy kindergarten pupils; and
- tuition fee reimbursement under the Continuing Education Fund 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 under Head 173. In the case of aided schools, the cost of fee remission is reflected as increased subvention for aided schools under Head 156—Government Secretariat: Education and Manpower Bureau as a result of the schools receiving less in school fee receipts. In the case of government schools, fee remission is expressed as revenue forgone by the Government.

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		
		2003/04 (Actual)	2004/05 (Revised Estimate)	2005/06 (Estimate)
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	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@	2@
Financial assistance for primary and secondary school students (eligibility assessment)φ	3	3	3	3

@ Target processing time in weeks.

φ Financial assistance for primary and secondary school students include the Student Travel Subsidy Scheme, Senior Secondary Fee Remission Scheme, Examination Fee Remission Scheme and School Textbook Assistance Scheme.

Indicators

	Academic Year		
	2003/04 (Actual)	2004/05 (Revised Estimate)	2005/06 (Estimate)
Local Student Finance Scheme			
no. of applications.....	43 760	45 350	45 071
funds disbursed (\$m) (including grants and loans)#	1,458.4	1,571.5	1,561.8
no. of applications/post.....	292	283	287
Financial Assistance Scheme for Post-secondary Students			
no. of applications.....	7 751	13 835	17 093
funds disbursed (\$m) (including grants and loans)#	148.7	290.4	358.8
no. of applications/post.....	221	266	285
Non-means Tested Loan Scheme			
no. of applications.....	39 374	48 360	54 033
funds disbursed (\$m) (loans)#	1,022.3	1,293.7	1,439.3
no. of applications/post.....	547	562	575

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	<i>Academic Year</i>		
	2003/04 (Actual)	2004/05 (Revised Estimate)	2005/06 (Estimate)
Student Finance Assistance Scheme^Ω			
no. of applications.....	357	15	2
funds disbursed (\$m) (including grants and loans)#	6.0	0.3	0.1
no. of applications/post.....	357	15	2
Kindergarten Fee Remission Scheme			
no. of applications.....	62 569	59 699	61 653
funds disbursed (\$m)	499.7	481.9	522.6
no. of applications/post.....	1 788	1 658	1 713
Scholarships, Merit Awards and related Schemes			
no. of applications.....	17 635	17 851	18 223
no. of scholarships, grants and awards granted.....	8 729	9 905	10 056
amount of scholarships, grants and awards disbursed (\$m) ^Δ	35.4	36.2	38.3
no. of applications/post.....	1 037	1 050	1 072
Continuing Education Fund[^]			
no. of applications.....	60 405	91 069	109 179
funds disbursed (\$m)	118.0	278.6	770.0
no. of applications/post.....	1 678	2 335	2 481
Financial assistance for primary and secondary school students			
no. of family-based applications	279 815	276 951	284 000
no. of eligibility certificates issued	441 969	436 539	447 651
no. of applications/post.....	2 544	2 518	2 582
Student Travel Subsidy Scheme			
no. of eligible applications.....	215 666	317 473	320 099
funds disbursed (\$m)	346.3	440.2	460.0
Travel Subsidy Scheme for Primary School Pupils^α			
no. of eligible applications.....	31 112	—	—
funds disbursed (\$m)	33.2	—	—
Senior Secondary Fee Remission Scheme			
no. of eligible applications.....	97 604	100 447	101 995
fees remitted (\$m).....	384.7	402.7	418.5
Examination Fee Remission Scheme			
no. of eligible applications.....	13 865	16 033	17 694
funds disbursed (\$m)	13.9	15.9	17.5
School Textbook Assistance Scheme			
no. of eligible applications.....	377 062	380 318	380 087
funds disbursed (\$m)	497.1	520.1	533.7

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

Ω The Student Finance Assistance Scheme is being phased out. Only a small number of students who have not yet completed their studies in HKSYC will remain eligible for assistance under the scheme in the 2005/06 academic year.

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

^ The Fund is open to applications throughout the year. The figures shown here are related to financial year.

α The scheme has merged with the Student Travel Subsidy Scheme with effect from the 2004/05 academic year.

5 In the 2003/04 academic year, the overall number of applications registered a further increase over the previous academic year. Over 996 000 applications were received for processing under the various student financial assistance schemes. Despite the large volume of 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 2005–06

6 During 2005–06, the Agency will review the level of financial assistance for needy sub-degree students pursuing self-financing accredited post-secondary programmes.

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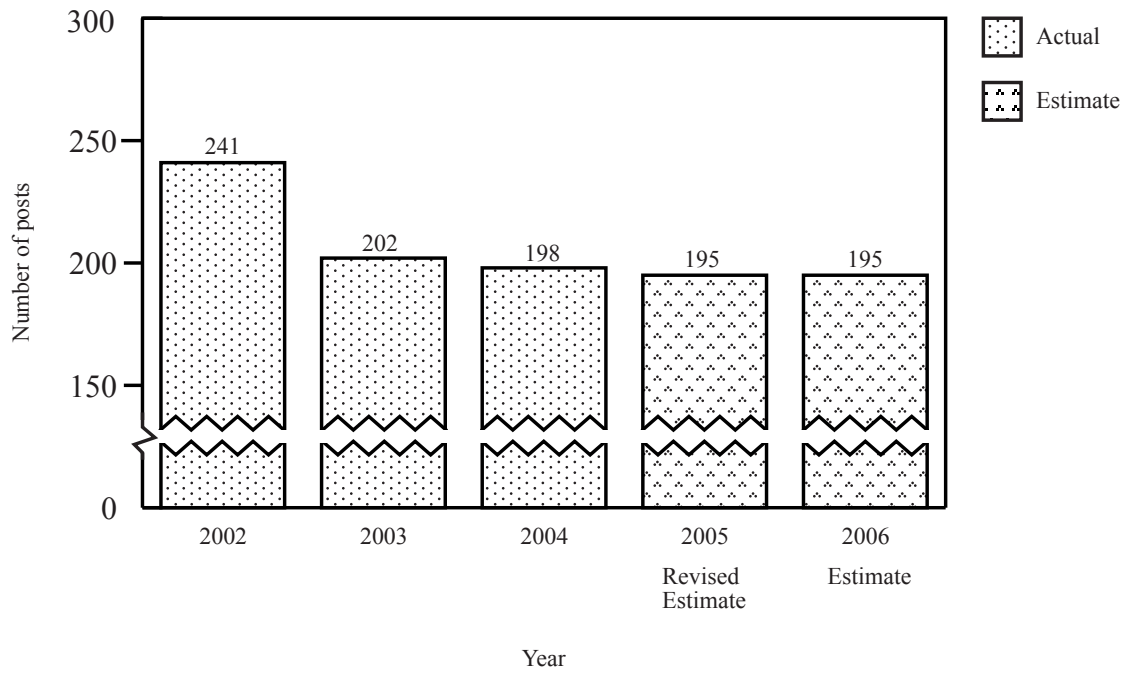
ANALYSIS OF FINANCIAL PROVISION

Programme	2003-04 (Actual) (\$m)	2004-05 (Original) (\$m)	2004-05 (Revised) (\$m)	2005-06 (Estimate) (\$m)
Student Assistance Scheme	2,709.6	3,748.6	3,065.4 (-18.2%)	3,722.8 (+21.4%)
				(or -0.7% on 2004-05 Original)

Analysis of Financial and Staffing Provision

Provision for 2005-06 is \$657.4 million (21.4%) higher than the revised estimate for 2004-05. This is mainly due to an expected increase in the demand for financial assistance under the Financial Assistance Scheme for Post-secondary Students arising from the on-going expansion of post-secondary education opportunities, 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 in the average levels of assistance under various student financial assistance schemes.

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



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Sub-head (Code)	Actual expenditure 2003-04	Approved estimate 2004-05	Revised estimate 2004-05	Estimate 2005-06	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	123,584	132,663	131,586	138,802
228	Student financial assistance.....	2,458,556	2,889,201	2,655,221	2,794,366*
	Total, Recurrent.....	<u>2,582,140</u>	<u>3,021,864</u>	<u>2,786,807</u>	<u>2,933,168</u>
Non-Recurrent					
700	General non-recurrent	127,430	726,722	278,606	789,612
	Total, Non-Recurrent.....	<u>127,430</u>	<u>726,722</u>	<u>278,606</u>	<u>789,612</u>
	Total, Operating Account	<u>2,709,570</u>	<u>3,748,586</u>	<u>3,065,413</u>	<u>3,722,780</u>

	Total Expenditure	<u><u>2,709,570</u></u>	<u><u>3,748,586</u></u>	<u><u>3,065,413</u></u>	<u><u>3,722,780</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2005–06 for the salaries and expenses of the Student Financial Assistance Agency is \$3,722,780,000. This represents an increase of \$657,367,000 over the revised estimate for 2004–05 and of \$1,013,210,000 over actual expenditure in 2003–04.

Operating Account

Recurrent

2 Provision of \$138,802,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Student Financial Assistance Agency. The increase of \$7,216,000 (5.5%) over the revised estimate for 2004–05 is mainly due to increased provision for temporary staff and other departmental expenses to cater for anticipated increases in caseload.

3 The establishment as at 31 March 2005 will be 195 permanent posts. No change in establishment is expected by 31 March 2006. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2005–06, but the notional annual mid-point salary value of all such posts must not exceed \$61,335,000.

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

	2003–04 (Actual) (\$'000)	2004–05 (Original) (\$'000)	2004–05 (Revised) (\$'000)	2005–06 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	70,444	70,456	68,094	68,537
- Allowances	1,196	1,564	1,564	1,564
Personnel Related Expenses				
- Mandatory Provident Fund contribution	28	35	35	40
Departmental Expenses				
- General departmental expenses	51,916	60,608	61,893	68,661
	123,584	132,663	131,586	138,802

5 Provision of \$2,794,366,000 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 increase of \$139,145,000 (5.2%) over the revised estimate for 2004–05 is mainly due to expected increase in the demand for financial assistance under the Financial Assistance Scheme for Post-secondary Students arising from the on-going expansion of post-secondary education opportunities and projected increases in the number of successful applicants and in the average levels of assistance under various student financial assistance schemes.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2004	Revised estimated expenditure for 2004-05	Balance
			<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	508	Continuing Education Fund	5,000,000	142,872	278,606	4,578,522
		Total	<u>5,000,000</u>	<u>142,872</u>	<u>278,606</u>	<u>4,578,522</u>