

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

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

Estimate 2011–12	\$3,955.7m
Establishment ceiling 2011–12 (notional annual mid-point salary value) representing an estimated 370 non-directorate posts as at 31 March 2011 rising by 80 posts to 450 posts as at 31 March 2012	\$136.6m
In addition, there will be one directorate post as at 31 March 2011 and as at 31 March 2012.	
Commitment balance	\$3,229.2m

Controlling Officer's Report

Programme

Student Assistance Scheme

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

Detail

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	3,765.9	3,559.3	4,175.6Δ (+17.3%)	3,955.7 (–5.3%)
				(or +11.1% on 2010–11 Original)

Δ To provide further financial support to help needy families cope with financial difficulties, a non-recurrent commitment of \$520 million has been allocated to Head 173 in 2010–11 for the disbursement of a one-off grant of \$1,000 each for students (from kindergarten to post-secondary education) eligible to receive means-tested financial subsidies in the 2010/11 academic year under the various student finance schemes administered by the Agency.

In 2010–11, the Government dedicated \$500 million as the start-up capital for the provision of convenient and suitable Internet learning opportunities to students in need. A non-recurrent commitment of \$280 million has been allocated to Head 173 in 2010–11 for the means-tested grants under the Subsidy Scheme for Internet Access Charges for low-income families with children who are full-time students receiving education at primary or secondary level.

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, some 180 scholarships under the Education Scholarships Fund and Scholarship for Prospective English Teachers. Financial assistance mainly takes the form of:

- means-tested grants and loans# under the Tertiary Student Finance Scheme - Publicly-funded Programmes for eligible full-time students of publicly-funded institutions, i.e. University Grants Committee-funded institutions, the Hong Kong Institute of Vocational Education and Hong Kong Design Institute of the Vocational Training Council, the Hong Kong Academy for Performing Arts and the Dental Technology Course of 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 locally-accredited, self-financing post-secondary education programmes;
- non-means tested loans# for eligible students of publicly-funded institutions, and eligible students pursuing locally-accredited self-financing post-secondary programmes, courses offered by the Hong Kong Shue Yan University and the Open University of Hong Kong, and eligible continuing and professional education courses provided in Hong Kong by registered schools, non-local universities and recognised training bodies;

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- allowances under the Student Travel Subsidy Scheme for needy students who receive formal primary or secondary education or attend a full-time day course up to the degree level, provided that these students live beyond ten minutes' walking distance from their schools and have passed the means test;
- fee remission under the Examination Fee Remission Scheme for needy Secondary 5 ϕ and Secondary 7 school candidates 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;
- means-tested grants under the Subsidy Scheme for Internet Access Charges λ for low-income families with children who are full-time students receiving education at primary or secondary level;
- fee remission under the Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS) for needy children attending kindergartens and child care centres;
- tuition fee reimbursement under the Continuing Education Fund for eligible persons pursuing continuing education and training in specified sectors;
- tuition fee reimbursement under the Project Yi Jin μ for eligible students completing modules under Project Yi Jin; and
- tuition fee reimbursement under the Financial Assistance Scheme for Designated Evening Adult Education Courses (FAEAEC) for eligible students attending designated evening secondary courses.

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

ϕ With the implementation of the New Senior Secondary (NSS) academic structure from the 2009/10 academic year, Secondary 5 school students will cease to sit for the Hong Kong Certificate of Education Examination (HKCEE) with effect from the 2010/11 academic year. Hence, only needy Secondary 7 school candidates sitting for the Hong Kong Advanced Level Examination (HKALE) will be eligible for the Examination Fee Remission Scheme in the year.

λ The Subsidy Scheme for Internet Access Charges is a new household-based scheme implemented with effect from the 2010/11 academic year for families with children who are full-time students receiving education at primary and secondary levels, and who pass the means test of the Agency. Families with children who are full-time students receiving education at primary and secondary levels and who are in receipt of the flat-rate grant for School-related Expenses under the Comprehensive Social Security Assistance Scheme are also eligible for this subsidy, which is disbursed by the Social Welfare Department (SWD). All the expenditure is funded under Head 173.

μ The amount of fee reimbursement is not shown as an expenditure item under Head 173. The expenditure is funded under Head 156—Government Secretariat: Education Bureau *Subhead 700 General non-recurrent Item 027 Project Yi Jin*.

4 The Agency is responsible for assessing the eligibility of applicants under the Pre-primary Education Voucher Scheme (PEVS) from the 2007/08 academic year onwards. Actual redemption of pre-primary education vouchers is not shown as an expenditure item under Head 173. The expenditure is funded under Head 156—Government Secretariat: Education Bureau *Subhead 000 Operational expenses*.

5 The key performance measures are:

Targets

	Target Processing Time for Applications Ψ	<i>Academic Year</i>		
		2009/10 (Actual)	2010/11 (Revised Estimate)	2011/12 (Estimate)
Tertiary Student Finance Scheme – Publicly-funded Programmes				
application for financial assistance (%)	60 days	98	98	98
application for review of financial assistance (%)	70 days	100	100	100
Financial Assistance Scheme for Post-secondary Students				
application for financial assistance (%)	60 days	92	94	94
application for review of financial assistance (%)	70 days	100	100	100
Non-means-tested Loan Schemes (%)	21 days	100	99	99
Kindergarten and Child Care Centre Fee Remission Scheme (%)	2 months	99.9	99.9	99.9

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	Target Processing Time for Applications ^Ψ	Academic Year		
		2009/10 (Actual)	2010/11 (Revised Estimate)	2011/12 (Estimate)
Continuing Education Fund (%).....	2 weeks	99	99	99
Financial assistance for primary and secondary school students (eligibility assessment) (%) [^]	3 months	100	100	100
Pre-primary Education Voucher Scheme (eligibility assessment) (%).....	6-8 weeks	99.9	99.9	99.9

^Ψ Target processing time is subject to submission of complete supporting documents by the applicants.

[^] Financial assistance for primary and secondary school students comprises the Student Travel Subsidy Scheme, Examination Fee Remission Scheme, School Textbook Assistance Scheme, Subsidy Scheme for Internet Access Charges, Project Yi Jin and FAEAEC.

Indicators

	Academic Year		
	2009/10 (Actual)	2010/11 (Revised Estimate)	2011/12 (Estimate)
Tertiary Student Finance Scheme – Publicly-funded Programmes			
no. of applications.....	31 932	32 208	32 180
funds disbursed (\$m) (including grants and loans) ^δ	1,111.8	1,151.6	1,150.7
no. of applications/post.....	167	163	162
Financial Assistance Scheme for Post-secondary Students			
no. of applications.....	25 731	30 192	29 447
funds disbursed (\$m) (including grants and loans) ^δ	938.7	1,134.6	1,106.6
no. of applications/post.....	170	192	190
Non-means-tested Loan Schemes			
no. of applications.....	34 402	36 065	35 934
funds disbursed (\$m) (loans) ^δ	1,222.3	1,346.8	1,371.9
no. of applications/post.....	212	196	190
Kindergarten and Child Care Centre Fee Remission Scheme^α			
no. of applications.....	45 572	47 262	48 442
funds disbursed (\$m).....	271.7	255.8	223.5
no. of applications/post.....	1 139	1 125	1 242
Scholarships, Merit Awards and related schemes			
no. of applications.....	11 231	11 601	10 009
no. of scholarships, grants and awards granted.....	7 021	7 234	6 138
amount of scholarships, grants and awards disbursed (\$m) ^Ω	26.7	30.8	30.8
no. of applications/post.....	802	725	715
Continuing Education Fund^Λ			
no. of applications.....	55 696	48 678	48 678
funds disbursed (\$m).....	352.6	374.2	414.3
no. of applications/post.....	1 051	936	936
Financial assistance for primary and secondary school students			
no. of family-based applications.....	228 246	226 183	230 348
no. of eligibility certificates issued.....	323 547	339 275	345 522
no. of applications/post.....	1 359	1 190	1 113
Examination Fee Remission Scheme[§]			
no. of applications.....	12 052	3 516	12 315
funds disbursed (\$m).....	15.6	7.9	33.8
Subsidy Scheme for Internet Access Charges[∇]			
no. of family-based applications.....	—	218 021	220 877
funds disbursed (\$m).....	—	182.7	184.9
School Textbook Assistance Scheme			
no. of applications.....	282 596	271 419	276 417
funds disbursed (\$m).....	433.7	449.5	577.4

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	<i>Academic Year</i>		
	2009/10 (Actual)	2010/11 (Revised Estimate)	2011/12 (Estimate)
Student Travel Subsidy Scheme ^θ			
no. of applications.....	242 597	238 432	240 727
funds disbursed (\$m).....	345.3	354.9	373.6
Project Yi Jin [@]			
no. of applications.....	17 741	20 014	11 015
funds disbursed (\$m).....	154.8	180.6	95.7
no. of applications/post.....	5 914	5 004	3 672
Financial Assistance Scheme for Designated Evening Adult Education Courses [@]			
no. of applications.....	733	857	857
funds disbursed (\$m).....	3.1	3.6	3.6
no. of applications/post.....	367	429	429
Pre-primary Education Voucher Scheme ^β			
no. of applications.....	46 845	47 232	50 695
no. of Certificates of Eligibility issued ^γ	46 437	46 816	50 249
voucher value involved (\$m) ^γ	598.6	749.1	804.0
no. of applications/post.....	1 143	1 073	1 207

- δ Loans disbursed under these schemes are provided under the Loan Fund. Details are provided in Volume II.
- α In the 2005/06 academic year, the Agency implemented the expansion of the former Kindergarten Fee Remission Scheme (which has been renamed as KCFRS) to cover all eligible children receiving pre-primary services (including those originally covered by the Child Care Centre Fee Assistance Scheme (CCCFAS) of the SWD) upon harmonisation of pre-primary services. The indicators above have not included residual cases of existing recipients under the CCCFAS who are allowed to opt to continue receiving assistance based on the formula of the existing CCCFAS (subject to their meeting the eligibility criteria of the existing CCCFAS in a continuous manner). Such cases are paid out of Head 173 but processed by the SWD until phasing out of the CCCFAS in the 2011/12 academic year. Starting from the 2007/08 academic year, the PEVS has been introduced to provide direct subsidy to parents in the form of vouchers to cover school fees for their children attending eligible kindergartens. The KCFRS has been realigned after the introduction of the PEVS such that fee remission will only be granted to needy children after deduction of the voucher value dedicated towards fee subsidy under the PEVS.
- Ω Most of the funds disbursed are under the control of the donors or their trustees.
- Λ The Continuing Education Fund is open to applications throughout the year. The figures shown here relate to financial rather than academic years.
- § With the implementation of the NSS academic structure from the 2009/10 academic year, the Hong Kong Diploma of the Secondary Education Examination will be introduced in the 2011/12 academic year with a view to replacing the HKCEE and the HKALE. The last HKCEE and HKALE for school candidates has taken/would take place in the 2009/10 and 2011/12 academic years respectively. In the 2010/11 academic year, only needy Secondary 7 school candidates sitting for the HKALE will be eligible for the Examination Fee Remission Scheme.
- ∇ New indicator as from the 2010/11 academic year for applications processed by the Agency.
- θ Number of applications include applications of primary and secondary school students, and post-secondary students.
- @ Tuition fees for Project Yi Jin and the FAEAEC are disbursed on reimbursement basis. The number of applications received and funds disbursed in the 2009/10 academic year are provisional figures only as the processing of reimbursement applications is still in progress. Hitherto, the amount of fee reimbursement under FAEAEC is funded under *Subhead 700 General non-recurrent* Item 920 Financial Assistance Scheme for Designated Evening Adult Education Courses. With effect from the 2010/11 academic year, the scheme has run on a recurrent basis and the expenditure is reflected under *Subhead 228 Student financial assistance*.
- β The face value of the voucher in the 2007/08 academic year was \$13,000 per student per annum (pspa), rising to \$14,000 pspa in the 2008/09 and 2009/10 academic years, and to \$16,000 pspa in the 2010/11 and 2011/12 academic years.
- γ Holders of the Certificate of Eligibility for the PEVS need not re-apply for the PEVS within the specific validity period. The indicators above include the number of Certificates of Eligibility for the PEVS issued and voucher value involved for first-time applicants. The voucher value involved for the 2009/10 academic year reflects the actual amount of subsidy redeemed, which is less than the maximum amount redeemable for the year because not all Certificates issued in the year were presented for voucher redemption.

6 In the 2009/10 academic year, around 807 000 applications were received for processing under the various student financial assistance schemes. The Agency was generally able to process all applications with complete information within the timeframe as pledged.

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Matters Requiring Special Attention in 2011–12

7 During 2011–12, the Agency will:

- continue to provide efficient and quality services to students under various student financial assistance schemes;
- start the development of the integrated student financial assistance system to support the administration of all student financial assistance schemes, as well as scholarships and merit award schemes, with a view to improving the operational efficiency and effectiveness of the Agency in the administration and delivery of these schemes; and
- streamline the approval procedures of the School Textbook Assistance Scheme, as undertaken in the 2010–11 Policy Address, so that the grants can be disbursed to most applicants before a new school term begins.

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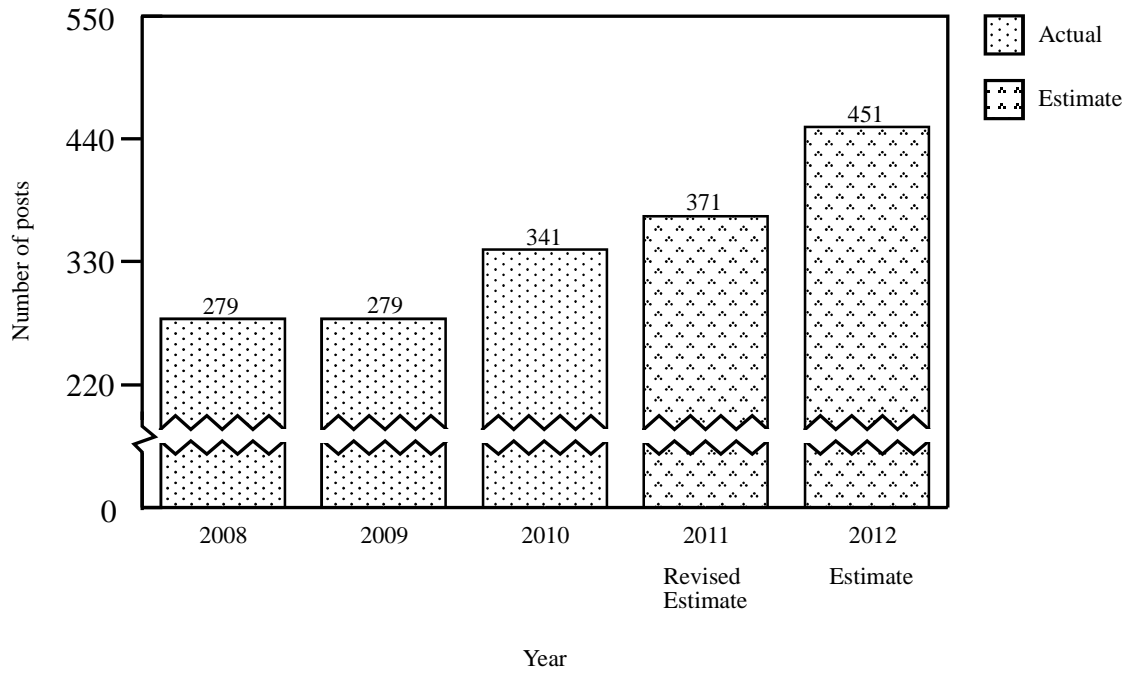
ANALYSIS OF FINANCIAL PROVISION

Programme	2009–10 (Actual) (\$m)	2010–11 (Original) (\$m)	2010–11 (Revised) (\$m)	2011–12 (Estimate) (\$m)
Student Assistance Scheme	3,765.9	3,559.3	4,175.6 (+17.3%)	3,955.7 (–5.3%)
				(or +11.1% on 2010–11 Original)

Analysis of Financial and Staffing Provision

Provision for 2011–12 is \$219.9 million (5.3%) lower than the revised estimate for 2010–11. This is mainly due to reduced cash flow requirement for the non-recurrent one-off support grants, partly offset by the increased provision for additional civil service posts and temporary staff to meet operational needs, the increased provision for grants to be disbursed under the School Textbook Assistance Scheme, the increased provision for disbursement of Subsidy for Internet Access Charges and an anticipated increase in payments for reimbursement of course fees under the Continuing Education Fund.

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



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Sub-head (Code)	Actual expenditure 2009–10	Approved estimate 2010–11	Revised estimate 2010–11	Estimate 2011–12	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	209,296	273,425	233,635	293,049
228	Student financial assistance.....	2,675,078	2,771,177	2,766,467	3,209,667
	Total, Recurrent	<u>2,884,374</u>	<u>3,044,602</u>	<u>3,000,102</u>	<u>3,502,716</u>
Non-Recurrent					
700	General non-recurrent	881,540	514,695	1,175,502	453,025
	Total, Non-Recurrent	<u>881,540</u>	<u>514,695</u>	<u>1,175,502</u>	<u>453,025</u>
	Total, Operating Account.....	<u>3,765,914</u>	<u>3,559,297</u>	<u>4,175,604</u>	<u>3,955,741</u>
<hr/>					
	Total Expenditure	<u><u>3,765,914</u></u>	<u><u>3,559,297</u></u>	<u><u>4,175,604</u></u>	<u><u>3,955,741</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2011–12 for the salaries and expenses of the Student Financial Assistance Agency is \$3,955,741,000. This represents a decrease of \$219,863,000 against the revised estimate for 2010–11 and an increase of \$189,827,000 over actual expenditure in 2009–10.

Operating Account

Recurrent

2 Provision of \$293,049,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Student Financial Assistance Agency. The increase of \$59,414,000 (25.4%) over the revised estimate for 2010–11 is mainly due to the additional civil service posts to be created and the hire of temporary staff to meet operational needs in 2011–12.

3 The establishment as at 31 March 2011 will be 371 permanent posts. It is expected that there will be an increase of 80 permanent posts in 2011–12. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2011–12, but the notional annual mid-point salary value of all such posts must not exceed \$136,628,000.

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

	2009–10 (Actual) (\$'000)	2010–11 (Original) (\$'000)	2010–11 (Revised) (\$'000)	2011–12 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	90,171	110,274	99,278	119,448
- Allowances	1,236	1,564	1,788	1,937
Personnel Related Expenses				
- Mandatory Provident Fund contribution	144	149	300	230
- Civil Service Provident Fund contribution	189	215	412	748
Departmental Expenses				
- General departmental expenses.....	117,556	161,223	131,857	170,686
	209,296	273,425	233,635	293,049

5 Provision of \$3,209,667,000 under *Subhead 228 Student financial assistance* is for the payment of student financial assistance under various schemes to students at all levels of study in meeting their education expenses, such as tuition and examination fees, textbooks, Internet access charges and other academic and travel expenses. The increase of \$443,200,000 (16.0%) over the revised estimate for 2010–11 is mainly due to the provision for disbursement of the Subsidy for Internet Access Charges on a recurrent basis, increased provision for the disbursement of the School Textbook Assistance Scheme and increased provision for Remission of Examination Fees due to an increase in population of school candidates after the introduction of the Hong Kong Diploma of Secondary Education Examination. With effect from 2011–12, the Financial Assistance Scheme for Designated Evening Adult Education Courses will run on a recurrent basis and the expenditure is reflected under *Subhead 228 Student financial assistance*.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2010	Revised estimated expenditure for 2010–11	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
508	Continuing Education Fund		6,200,000	2,667,989	388,813	3,143,198
866	One-off support grant for needy students in the 2010/11 School Year		520,000	—	496,005	23,995
867	Subsidy Scheme for Internet Access Charges.....		280,000	—	272,915	7,085
870	One-off support grant for needy students in the 2009/10 School Year		570,000	500,923	14,135	54,942
	Total		<u>7,570,000</u>	<u>3,168,912</u>	<u>1,171,868</u>	<u>3,229,220</u>