

Head 173 — WORKING FAMILY AND STUDENT FINANCIAL ASSISTANCE AGENCY

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

Estimate 2015–16 **\$5,555.3m**

Establishment ceiling 2015–16 (notional annual mid-point salary value) representing an estimated 679 non-directorate posts as at 31 March 2015 rising by 434 posts to 1 113 posts as at 31 March 2016..... **\$376.6m**

In addition, there will be an estimated four directorate posts as at 31 March 2015 and as at 31 March 2016.

Commitment balance..... **\$2,311.7m**

Controlling Officer's Report

Programmes

Programme (1) 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).

Programme (2) Low-income Working Family Allowance This programme contributes to Policy Area 14: Social Welfare (Secretary for Labour and Welfare).

Detail

Programme (1): Student Assistance Scheme

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	4,917.4	5,380.6	5,016.8 (–6.8%)	5,377.4 (+7.2%)
				(or –0.1% on 2014–15 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, scholarships under the Education Scholarships Fund and Scholarship for Prospective English Teachers. Financial assistance disbursed by the Agency takes the form of:

- means-tested grants and loans# under the Tertiary Student Finance Scheme - Publicly-funded Programmes (TSFS) for eligible full-time students of publicly-funded institutions, i.e. University Grants Committee-funded institutions, the Hong Kong Institute of Vocational Education, Hong Kong Design Institute, Chinese Cuisine Training Institute and International Culinary 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 (FASP) for eligible full-time students aged 30 or below pursuing locally-accredited, self-financing post-secondary education programmes;
- non-means-tested loans# for eligible full-time students pursuing publicly-funded programmes or locally-accredited self-financing post-secondary programmes, and eligible students pursuing specific post-secondary and continuing and professional education courses provided in Hong Kong;
- means-tested allowances under the Student Travel Subsidy Scheme (STSS) 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;

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- means-tested fee remission under the Examination Fee Remission Scheme (EFRS) for needy school candidates taking public examinations conducted or administered by the Hong Kong Examinations and Assessment Authority;
- means-tested grants under the School Textbook Assistance Scheme (STAS) for needy 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 (SIA)§ for low-income families with children who are full-time students receiving education at primary or secondary level;
- means-tested 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 (CEF) for eligible persons pursuing continuing education and training in specified sectors;
- tuition fee reimbursement under the Yi Jin Diploma (YJD)¶ for eligible students taking modules under YJD to gain a formal qualification for employment and continuing education; 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.

§ Families with children who are full-time students receiving education at primary or secondary level 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 subsidy under SIA, which is disbursed by the Social Welfare Department. The expenditure is funded under Head 173.

¶ The expenditure on fee reimbursement is funded under Head 156 — Government Secretariat: Education Bureau *Subhead 700 General non-recurrent Item 839 Yi Jin Diploma*.

4 The Agency is responsible for assessing the eligibility of applicants under the Pre-primary Education Voucher Scheme (PEVS). The actual redemption of pre-primary education vouchers is processed by the Education Bureau and 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	Academic Year		
		2013/14 (Actual)	2014/15 (Revised Estimate)	2015/16 (Estimate)
TSFS				
application for financial assistance (%).....	60 days	98.5	98.0	98.0
application for review of financial assistance (%).....	70 days	100	100	100
FASP				
application for financial assistance (%).....	60 days	97	98	98
application for review of financial assistance (%).....	70 days	100	100	100
Non-means-tested Loan Schemes (NLS) (%).....				
KCFRS (%).....	21 days	100	99	99
CEF (%).....	2 months	99.9	99.9	99.9
CEF (%).....	2 weeks	100	100	100
financial assistance for primary and secondary school students (eligibility assessment) (%)[^].....				
PEVS (eligibility assessment) (%).....	3 months	100	100	100
	6-8 weeks	99.8	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 STSS (also for full-time post-secondary students), EFRS, STAS, SIA, YJD and FAEAEC.

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Indicators

	<i>Academic Year</i>		
	2013/14 (Actual)	2014/15 (Revised Estimate)	2015/16 (Estimate)
TSFS			
no. of applications	32 147	32 191	32 287
funds disbursed (\$m) (including grants and loans)	1,306.0	1,389.6	1,402.7
no. of applications/post	159	182	177
FASP			
no. of applications	31 402	27 500	32 762
funds disbursed (\$m) (including grants and loans)	1,418.2	1,370.7	1,667.5
no. of applications/post	166	153	180
NLS			
no. of applications	38 002	37 818	40 641
funds disbursed (\$m) (loans)	1,366.2	1,404.8	1,544.4
no. of applications/post	172	209	220
KCFRS			
no. of applications	43 591	42 540	47 122
funds disbursed (\$m)	473.3	539.7	612.1
no. of applications/post	822	945	906
Scholarships, Merit Awards and related Schemes			
no. of applications	5 931	4 793	4 727
no. of scholarships, grants and awards granted	4 569	3 521	3 476
amount of scholarships, grants and awards disbursed (\$m)	29.3	32.6	33.6
no. of applications/post	371	320	315
CEFA			
no. of applications	35 880	32 424	33 528
funds disbursed (\$m)	196.3	176.2	180.9
no. of applications/post	797	811	818
Financial assistance for primary and secondary school students			
no. of family-based applications	198 845	194 505	192 100
no. of applications/post	872	872	850
EFRS			
no. of applications	23 329	21 994	20 291
funds disbursed (\$m)	47.0	44.2	41.2
SIA			
no. of family-based applications	168 379	165 630	164 418
funds disbursed (\$m)	168.0	165.4	164.4
STAS			
no. of applications	247 541	242 285	239 178
funds disbursed (\$m)	661.9	831.4	858.1
STSSθ			
no. of applications	228 675	221 927	221 318
funds disbursed (\$m)	487.1	488.2	492.0
YJD@			
no. of applications	6 831	6 946	6 650
funds disbursed (\$m)	76.8	86.7	82.1
no. of applications/post	2 277	2 315	2 217
FAEAECφ			
no. of applications	808	816	816
funds disbursed (\$m)	3.5	4.5	4.7
no. of applications/post	404	408	408
PEVSy			
no. of applications	49 668	57 932	61 218
no. of Certificates of Eligibility for the PEVS issued	49 291	57 492	60 753
voucher value involved (\$m)	789.6	1,150.4	1,367.6
no. of applications/post	1 035	1 259	1 200

Δ The CEF is open to applications throughout the year. The figures shown here relate to financial rather than academic years.

θ Number of applications includes applications of primary and secondary school students as well as post-secondary students.

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- @ Financial assistance for YJD is disbursed on a reimbursement basis. The number of applications received and funds disbursed for students of the 2013/14 academic year are provisional figures only as reimbursement applications are still being processed.
- φ Financial assistance for FAEAEC is disbursed on a reimbursement basis. The number of applications received and funds disbursed for students of the 2013/14 academic year are provisional figures only as reimbursement applications are still being processed.
- γ Holders of the Certificate of Eligibility for PEVS need not re-apply for PEVS within the specific validity period. The indicators above include the number of Certificates of Eligibility for PEVS issued and voucher value involved for first-time applicants. The voucher value involved for the 2013/14 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 2013/14 academic year, around 912 000 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 time frame as pledged.

Matters Requiring Special Attention in 2015–16

7 During 2015–16, the Agency will:

- provide an extra 50 per cent of student travel subsidy for eligible needy primary or secondary students of special schools;
- continue with the one-off improvement measure to lift the fee remission ceilings under KCFRS from the weighted average to the 75th percentile of the school fees of kindergartens under PEVS in the 2015/16 school years. This, together with the enhancement of the voucher value under PEVS implemented by the Education Bureau, will continue to provide greater support to parents on kindergarten education of their children pending the recommendations of the Committee on Free Kindergarten Education on how to practicably implement free kindergarten education;
- continue to provide efficient and quality services to students under various student financial assistance schemes;
- continue to step up efforts to recover student loans in arrears and tackle the default problem; and
- continue to develop 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.

Programme (2): Low-income Working Family Allowance^β

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	—	—	5.1	177.9 (+3 388.2%)

β A new programme introduced in 2015.

Aim

8 The aim is to administer efficiently and cost-effectively the Low-income Working Family Allowance (LIFA) Scheme.

Brief Description

9 The Agency will plan for and take forward the implementation of the LIFA Scheme in 2016–17 to provide means-tested allowance to low-income working families who are not receiving assistance under the Comprehensive Social Security Assistance Scheme.

Matters Requiring Special Attention in 2015–16

10 During 2015–16, the Agency will devise the implementation details of the LIFA Scheme which seeks to provide a new means-tested allowance to eligible low-income working families from 2016–17.

ANALYSIS OF FINANCIAL PROVISION

	2013-14 (Actual) (\$m)	2014-15 (Original) (\$m)	2014-15 (Revised) (\$m)	2015-16 (Estimate) (\$m)
Programme				
(1) Student Assistance Scheme.....	4,917.4	5,380.6	5,016.8	5,377.4
(2) Low-income Working Family Allowance	—	—	5.1	177.9
	4,917.4	5,380.6	5,021.9 (-6.7%)	5,555.3 (+10.6%)
				(or +3.2% on 2014-15 Original)

Analysis of Financial and Staffing Provision

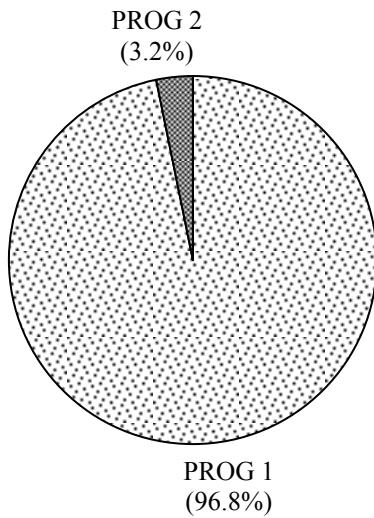
Programme (1)

Provision for 2015-16 is \$360.6 million (7.2%) higher than the revised estimate for 2014-15. This is mainly due to the increased provision for disbursement under various student financial assistance schemes, as well as a net increase of 91 civil service posts for implementing various improvement measures and strengthening the manpower support in handling various student financial assistance schemes.

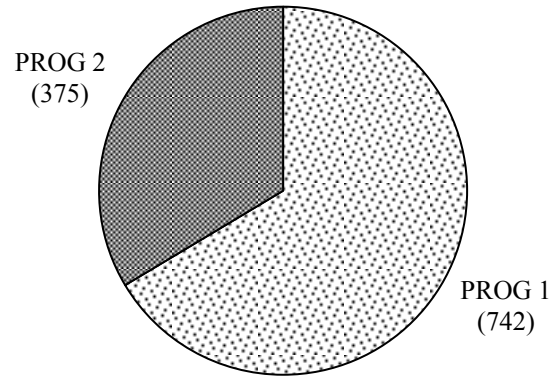
Programme (2)

Provision for 2015-16 is \$172.8 million (3 388.2%) higher than the revised estimate for 2014-15. This is due to an increase of 343 posts and related expenses for taking forward the LIFA Scheme.

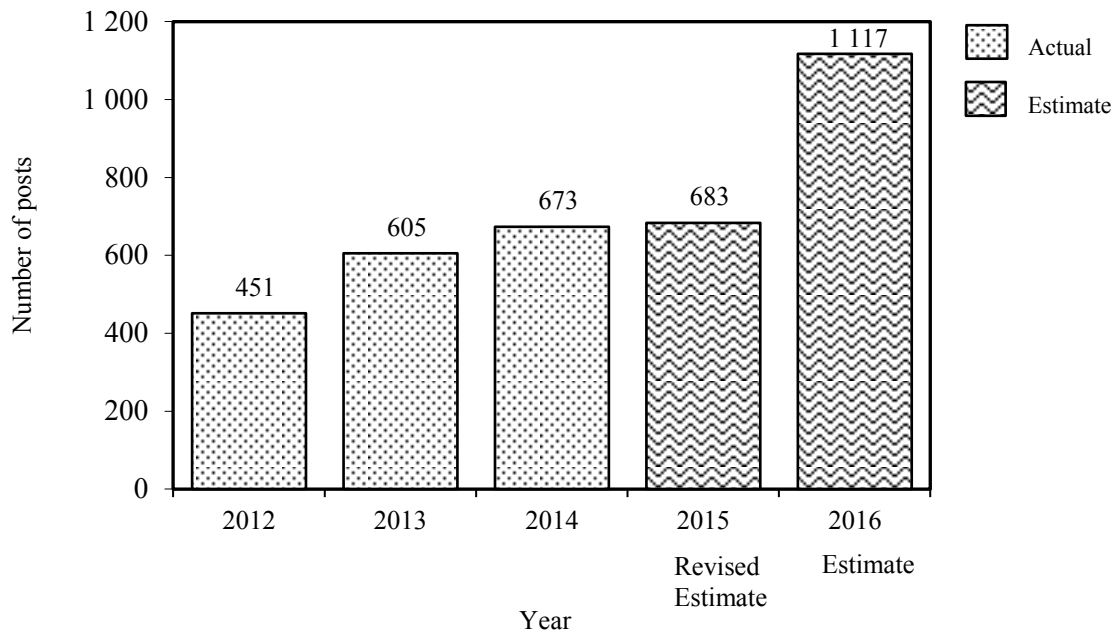
*Allocation of provision
to programmes
(2015-16)*



*Staff by programme
(as at 31 March 2016)*



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



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Sub-head (Code)	Actual expenditure 2013-14	Approved estimate 2014-15	Revised estimate 2014-15	Estimate 2015-16	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	325,760	336,021	357,996	575,978
228	Student financial assistance	4,383,755	4,827,997	4,475,460	4,787,700
	Total, Recurrent.....	4,709,515	5,164,018	4,833,456	5,363,678
Non-Recurrent					
700	General non-recurrent	207,909	216,574	188,415	191,577
	Total, Non-Recurrent.....	207,909	216,574	188,415	191,577
	Total, Operating Account	4,917,424	5,380,592	5,021,871	5,555,255
	Total Expenditure	4,917,424	5,380,592	5,021,871	5,555,255

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Details of Expenditure by Subhead

The estimate of the amount required in 2015–16 for the salaries and expenses of the Working Family and Student Financial Assistance Agency is \$5,555,255,000. This represents an increase of \$533,384,000 over the revised estimate for 2014–15 and of \$637,831,000 over the actual expenditure in 2013–14.

Operating Account

Recurrent

2 Provision of \$575,978,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Working Family and Student Financial Assistance Agency. The increase of \$217,982,000 (60.9%) over the revised estimate for 2014–15 is mainly due to the provision for additional civil service posts and related expenses for taking forward the Low-income Working Family Allowance Scheme, as well as the salary provision for additional civil service posts in the Student Finance Office for implementing various improvement measures and strengthening the manpower support in handling various student financial assistance schemes.

3 The establishment as at 31 March 2015 will be 683 permanent posts. It is expected that there will be a net increase of 434 permanent posts in 2015–16. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2015–16, but the notional annual mid-point salary value of all such posts must not exceed \$376,602,000.

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

	2013–14 (Actual) (\$'000)	2014–15 (Original) (\$'000)	2014–15 (Revised) (\$'000)	2015–16 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	186,575	210,101	212,256	350,411
- Allowances.....	2,166	2,408	2,435	3,083
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	1,678	2,836	2,347	3,034
- Civil Service Provident Fund contribution.....	2,676	5,564	6,192	15,387
Departmental Expenses				
- General departmental expenses	132,665	115,112	134,766	204,063
	<u>325,760</u>	<u>336,021</u>	<u>357,996</u>	<u>575,978</u>

5 Provision of \$4,787,700,000 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. This includes \$1,727,000 for the provision of an extra 50 per cent of student travel subsidy for eligible needy primary or secondary students of special schools in addition to the subsidy under the existing mechanism as authorised by the Finance Committee.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment \$'000	Accumulated expenditure to 31.3.2014 \$'000	Revised estimated expenditure for 2014–15 \$'000	Balance \$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	508	Continuing Education Fund	6,200,000	3,699,911	188,415	2,311,674
		Total	<u>6,200,000</u>	<u>3,699,911</u>	<u>188,415</u>	<u>2,311,674</u>