

## Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

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

**Estimate 2001–02**..... **\$2,308.5m**

**Establishment ceiling 2001–02** (notional annual mid-point salary value) representing an estimated 228 non-directorate posts as at 31 March 2001 reducing by six posts to 222 posts at 31 March 2002... **\$60.5m**

In addition there will be one directorate post at 31 March 2001 and at 31 March 2002.

### Controlling Officer's Report

#### Programmes

**Student Assistance Scheme** This programme contributes to Policy Area 16: Education (Secretary for Education and Manpower).

#### Detail

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	1,832.1	2,105.8 (+14.9%)	2,202.2 (+4.6%)	<b>2,308.5</b> <b>(+4.8%)</b>

#### 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 Scholarship Fund. Financial assistance mainly takes the form of:

- grants and loans<sup>†</sup> under the Local Student Finance Scheme for eligible full-time students of publicly-funded institutions, i.e. University Grants Committee (UGC) - funded institutions, the Hong Kong Institute of Vocational Education (IVE) of the Vocational Training Council, the Hong Kong Academy for Performing Arts and the Dental Technology Course at the Prince Philip Dental Hospital;
- grants and loans<sup>†</sup> under the Student Finance Assistance Scheme for eligible full-time students of the Hong Kong Shue Yan College (HKSYC);
- loans<sup>†</sup> under the Non-means Tested Loan Scheme for eligible students of publicly-funded institutions, the Open University of Hong Kong (OUHK), the HKSYC 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 students aged 12 and above who have not completed their first degree and are living beyond ten minutes' walking distance from their schools;
- fee remission under the Senior Secondary Fee Remission Scheme<sup>§</sup> for senior secondary students (Secondary 4–7) in public sector schools and the Examination Fee Remission Scheme for Secondary 5 and Secondary 7 students taking public examinations conducted by the Hong Kong Examinations Authority;
- grants under the School Textbook Assistance Scheme for students in public sector schools and local private schools under the Direct Subsidy Scheme; and
- fee remission under the Kindergarten Fee Remission Scheme for kindergarten pupils.

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

<sup>§</sup> The amount of fee remission is not shown under an expenditure item here as it is deducted from the revenue in respect of school fees collected by aided schools, or by the Education Department 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:

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### Targets

	Target Processing Time for Applications (months)	Academic Year		
		1999/2000 (Actual)	2000/01 (Estimate)	2001/02 (Plan)
Local Student Finance Scheme				
current students .....	2	2	2	2
new students .....	2	2	2	2
review of financial assistance.....	3	3	3	2 1/2
Non-means Tested Loan Scheme.....	3@	3@	3@	3@
Student Finance Assistance Scheme#				
current students .....	4	4	4	4
new students .....	3	3	3	3
Student Travel Subsidy Scheme				
secondary/primary students#.....	4	4	4	4
tertiary students .....	3	3	3	3
Travel Subsidy Scheme for Primary				
School Pupils# .....	4	4	4	4
Senior Secondary Fee Remission Scheme...	2	2	2	2
School Textbook Assistance Scheme# .....	4	4	4	4
Kindergarten Fee Remission Scheme .....	2	2	2	2

@ Target processing time in weeks.

# Processing time includes preliminary vetting by tertiary institutions/schools.

### Indicators

	Academic Year		
	1999/2000 (Actual)	2000/01 (Revised Estimate)	2001/02 (Estimate)
Local Student Finance Scheme			
no. of applications .....	36 688	41 201	41 707
funds disbursed (\$m) (including grants and loans†) .....	1,473.3	1,564.5	1,596.6
no. of applications/post.....	260	269	259
Non-means Tested Loan Scheme			
no. of applications .....	14 780	22 579	25 661
funds disbursed (\$m) (loans†).....	283.9	412.1	452.2
no. of applications/post.....	510	551	570
Student Finance Assistance Scheme			
no. of applications .....	974	1 186	1 186
funds disbursed (\$m) (including grants and loans†) .....	21.9	26.7	26.7
no. of applications/post.....	974	1 186	1 186
Student Travel Subsidy Scheme			
no. of applications .....	213 719	222 228	233 619
funds disbursed (\$m) .....	284.6	379.0	395.5
no. of applications/post.....	13 357	10 101	10 157
Travel Subsidy Scheme for Primary School Pupils			
no. of applications .....	20 415	30 080	32 127
funds disbursed (\$m) .....	22.6	32.7	34.9
no. of applications/post.....	6 805	15 040	16 064
Senior Secondary Fee Remission & Examination Fee Remission Schemes			
no. of applications .....	119 388	115 812	110 419
funds remitted (\$m).....	371.8	363.4	351.1
no. of applications/post.....	9 949	8 272	7 887
School Textbook Assistance Scheme			
no. of applications .....	339 608	372 340	397 746
funds disbursed (\$m) .....	271.7	428.1	458.0
no. of applications/post.....	42 451	41 371	39 775
Kindergarten Fee Remission Scheme			
no. of applications .....	72 436	72 827	69 855
funds disbursed (\$m) .....	345.8	412.1	416.1
no. of applications/post.....	2 130	2 142	2 055
Scholarships, Merit Awards and related Schemes			
no. of applications .....	19 361	20 409	20 850

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	<i>Academic Year</i>		
	1999/2000 (Actual)	2000/01 (Revised Estimate)	<b>2001/02 (Estimate)</b>
no. of scholarships, grants and awards granted.....	11 633	11 734	<b>11 879</b>
amount of scholarships, grants and awards disbursed (\$m)# .....	49.8	49.3	<b>52.2</b>
no. of applications/post.....	1 210	1 201	<b>1 226</b>

† 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.

5 In the 1999/2000 academic year, the overall number of applications for financial assistance registered a further increase of about 4% over the previous academic year. Despite the large volume of over 837 000 applications received, the Agency was generally able to process all applications with complete information within the time frame as pledged. To further assist needy students in the 2000/01 academic year, several new initiatives were implemented. They include relaxation of the means test for the Kindergarten Fee Remission Scheme and improvements to the rates of grant payable under the School Textbook Assistance Scheme and the Student Travel Subsidy Scheme. To promote lifelong learning and constant self-advancement, the scope of the Non-means Tested Loan Scheme was widened to include students pursuing self-financing, local award-bearing programmes offered by publicly-funded institutions, and persons pursuing continuing and professional education courses offered by registered schools, non-local universities and professional and recognised training bodies. The ambit of the Local Student Finance Scheme was also extended to cover students of the IVE taking Diploma and Common First Year courses.

### ***Matters Requiring Special Attention in 2001–02***

6 During 2001–02, the Agency will:

- review the appropriate level of financial assistance under the Local Student Finance Scheme in the light of the findings of the student expenditure survey;
- relax the eligibility criteria to allow kindergarten pupils aged 2 years and 8 months to apply for kindergarten fee remission to tie in with the Education Department's new initiative to lower the minimum admission age for kindergartens to 2 years and 8 months;
- enhance the computer system supporting the Local Student Finance Scheme with a view to streamlining loan administration and repayment processes;
- plan for the additional requirement for student financial assistance arising from the expansion of tertiary education places for 60% of the relevant age cohort in the coming ten years; and
- consider the possibility of advancing the provision of assistance to needy primary and secondary students as early as practicable.

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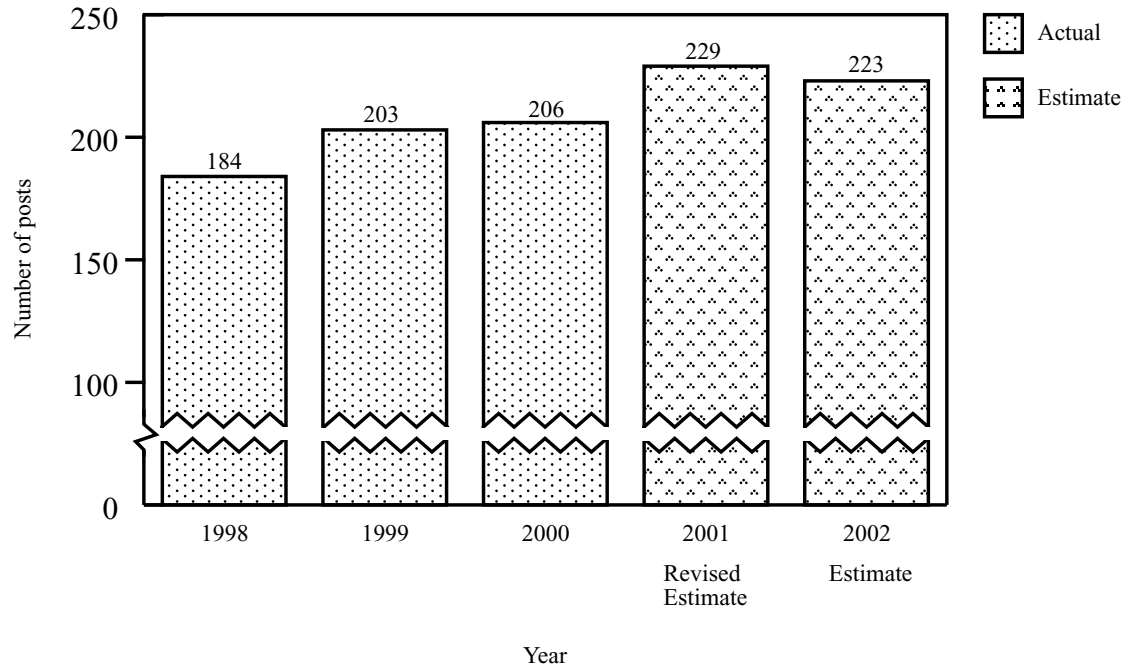
### ANALYSIS OF FINANCIAL PROVISION

<b>Programme</b>	1999-2000 (Actual) (\$m)	2000-01 (Approved) (\$m)	2000-01 (Revised) (\$m)	<b>2001-02 (Estimate) (\$m)</b>
Student Assistance Scheme.....	1,832.1	2,105.8 (+14.9%)	2,202.2 (+4.6%)	<b>2,308.5 (+4.8%)</b>

#### Analysis of Financial and Staffing Provision

Provision for 2001-02 is \$106.3 million (4.8%) higher than the revised estimate for 2000-01. This is mainly due to an expected increase in the number of successful applications under various student financial assistance schemes and estimated higher levels of average assistance.

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



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Sub-head (Code)		Actual expenditure 1999–2000	Approved estimate 2000–01	Revised estimate 2000–01	Estimate 2001–02
		\$ 000	\$ 000	\$ 000	\$ 000
<b>Recurrent Account</b>					
I — Personal Emoluments					
001	Salaries.....	61,096	65,537	68,540	<b>70,461</b>
002	Allowances.....	1,928	2,395	1,617	<b>1,594</b>
	Total, Personal Emoluments .....	<u>63,024</u>	<u>67,932</u>	<u>70,157</u>	<u><b>72,055</b></u>
III — Departmental Expenses					
149	General departmental expenses.....	17,327	19,912	25,591	<b>30,325</b>
	Total, Departmental Expenses .....	<u>17,327</u>	<u>19,912</u>	<u>25,591</u>	<u><b>30,325</b></u>
IV — Other Charges					
151	Remission of examination fees.....	9,397	9,712	9,953	<b>9,568*</b>
152	Scholarships, bursaries and maintenance grants .....	12,077	14,425	13,603	<b>14,540*</b>
153	Textbooks and stationery grants .....	271,489	277,301	428,094	<b>458,021*</b>
155	Travel subsidy for primary school pupils .....	22,525	25,684	32,716	<b>34,945*</b>
156	Kindergartens-fee assistance .....	311,380	400,758	392,717	<b>422,959*</b>
274	Student finance-grants .....	840,425	991,785	849,079	<b>870,623*</b>
275	Student travel scheme .....	283,962	296,966	378,966	<b>395,472*</b>
	Total, Other Charges .....	<u>1,751,255</u>	<u>2,016,631</u>	<u>2,105,128</u>	<u><b>2,206,128</b></u>
	Total, Recurrent Account .....	<u>1,831,606</u>	<u>2,104,475</u>	<u>2,200,876</u>	<u><b>2,308,508</b></u>
<b>Capital Account</b>					
II — Other Non-Recurrent					
	General other non-recurrent.....	507	1,332	1,332	—
	Total, Other Non-Recurrent.....	<u>507</u>	<u>1,332</u>	<u>1,332</u>	<u>—</u>
	Total, Capital Account.....	<u>507</u>	<u>1,332</u>	<u>1,332</u>	<u>—</u>
	Total Expenditure .....	<u><u>1,832,113</u></u>	<u><u>2,105,807</u></u>	<u><u>2,202,208</u></u>	<u><u><b>2,308,508</b></u></u>

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### Detailed Estimates of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Student Financial Assistance Agency is \$2,308,508,000. This represents an increase of \$106,300,000 over the revised estimate for 2000–01 and of \$476,395,000 over actual expenditure in 1999–2000.

#### Recurrent Account

##### Personal Emoluments

**2** Provision of \$72,055,000 for personal emoluments represents an increase of \$1,898,000 over the revised estimate for 2000–01.

**3** The establishment at 31 March 2001 will be 229 posts. It is expected that six posts will be deleted in 2001–02.

**4** Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$60,536,000.

**5** Provision of \$1,594,000 under *Subhead 002 Allowances* is for standard allowances.

##### Departmental Expenses

**6** Provision of \$30,325,000 under *Subhead 149 General departmental expenses* represents an increase of \$4,734,000 (18.5%) over the revised estimates for 2000–01. This takes into account the full-year provision for 28 additional non-civil service contract staff recruited in 2000–01.

##### Other Charges

**7** Provision of \$9,568,000 under *Subhead 151 Remission of examination fees* is to provide financial assistance to full school fee remission recipients taking public examinations conducted by the Hong Kong Examinations Authority. The amount remitted varies with the type of examination and the number of subjects taken. The decrease of \$385,000 (3.9%) against the revised estimate for 2000–01 is mainly due to a projected decrease in the student population.

**8** Provision of \$14,540,000 under *Subhead 152 Scholarships, bursaries and maintenance grants* is for the payment of inducement grants to mature students of the one-year full-time technical teachers' course in the Hong Kong Institute of Education, maintenance grants to students on Hong Kong Advanced Level courses, grants to students at Hong Kong Shue Yan College under the Student Finance Assistance Scheme, scholarships to pupils at the Sir Ellis Kadoorie School and merit awards to pupils in private schools. The increase of \$937,000 (6.9%) over the revised estimate for 2000–01 is mainly due to an expected increase in the number of successful applications under the various schemes.

**9** Provision of \$458,021,000 under *Subhead 153 Textbooks and stationery grants* is for the payment of grants to eligible students in public sector primary and secondary schools, and local private schools under the Direct Subsidy Scheme to cover costs of essential textbooks and miscellaneous school-related expenses. The increase of \$29,927,000 (7.0%) over the revised estimate for 2000–01 is mainly due to an expected increase in the number of successful applications.

**10** Provision of \$34,945,000 under *Subhead 155 Travel subsidy for primary school pupils* is for the payment of travel allowance to needy public sector primary school pupils aged below 12 who attend schools outside their residing Primary One Admission Net and who live beyond ten minutes' walking distance from their schools. The increase of \$2,229,000 (6.8%) over the revised estimate for 2000–01 is mainly due to an expected increase in the number of successful applications.

**11** Provision of \$422,959,000 under *Subhead 156 Kindergartens-fee assistance* is for fee assistance to needy children attending kindergartens. Eligibility is dependent upon family size and income criteria. The increase of \$30,242,000 (7.7%) over the revised estimate for 2000–01 reflects the full-year effect of relaxing the means-test criteria since the 2000/01 school year and estimated higher levels of assistance.

**12** Provision of \$870,623,000 under *Subhead 274 Student finance-grants* is for the payment of grants under the Local Student Finance Scheme which provides financial assistance to eligible full-time students of the eight UGC-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.

**13** Provision of \$395,472,000 under *Subhead 275 Student travel scheme* is for the payment of travel allowance to full-time students aged 12 or above who have not yet completed their first degree and who live beyond ten minutes' walking distance from their places of study. The increase of \$16,506,000 (4.4%) over the revised estimate for 2000–01 is mainly due to an expected increase in the number of successful applications.