

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 2019–20 **\$18,717.1m**

Establishment ceiling 2019–20 (notional annual mid-point salary value) representing an estimated 1 278 non-directorate posts as at 31 March 2019 rising by 90 posts to 1 368 posts as at 31 March 2020..... **\$551.3m**

In addition, there will be an estimated four directorate posts as at 31 March 2019 and as at 31 March 2020.

Commitment balance..... **\$24,732.7m**

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) Working Family Allowance and Individual-based Work Incentive Transport Subsidy	This programme contributes to Policy Area 8: Employment and Labour (Secretary for Labour and Welfare) and Policy Area 14: Social Welfare (Secretary for Labour and Welfare).

Detail

Programme (1): Student Assistance Scheme

	2017–18 (Actual)	2018–19 (Original)	2018–19 (Revised)	2019–20 (Estimate)
Financial provision (\$m)	4,438.3	5,105.7	4,717.4 (–7.6%)	5,383.7 (+14.1%)
				(or +5.4% on 2018–19 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 a number of privately-donated and publicly-funded scholarship and merit award schemes, such as 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 universities, the Hong Kong Institute of Vocational Education, Hong Kong Design Institute, Chinese Culinary Institute & International Culinary Institute and Maritime Services Training 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 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;
- tuition fee reimbursement under the Diploma Yi Jin (DYJ)¶ for eligible students taking subjects under DYJ 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*. In compliance with the Award Titles Scheme under the Qualifications Framework, the English award title of the programme has been changed from “Yi Jin Diploma” to “DYJ” with effect from 1 January 2016, while the Chinese award title remains unchanged.

4 The key performance measures are:

Targets

	Target Processing Time for Applications ^Ψ	Academic Year		
		2017/18 (Actual)	2018/19 (Revised Estimate)	2019/20 (Estimate)
TSFS				
application for financial assistance (%).....	60 days	98.8	99.0	99.0
application for review of financial assistance (%).....	70 days	100	100	100
FASP				
application for financial assistance (%).....	60 days	97.8	98.0	98.0
application for review of financial assistance (%).....	70 days	100	100	100
Non-means-tested Loan Schemes (NLS) (%).....				
KCFRS (%).....	21 days	100	99	99
CEP (%).....	2 months	100	99.9	99.9
CEF (%).....	2 weeks	100	100	100
financial assistance for primary and secondary school students (eligibility assessment) (%) [^]	3 months	100	100	100

^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, DYJ and FAEAEC.

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Indicators

	<i>Academic Year</i>		
	2017/18 (Actual)	2018/19 (Revised Estimate)	2019/20 (Estimate)
TSFS			
no. of applications	25 922	23 945	23 945
funds disbursed (\$m) (including grants and loans)	1,077.5	980.0	986.8
no. of applications/post	123	127	129
FASP			
no. of applications	22 575	20 589	19 760
funds disbursed (\$m) (including grants and loans)	1,044.8	952.4	909.0
no. of applications/post	105	111	118
NLS			
no. of applications	39 888	41 047	41 798
funds disbursed (\$m) (loans)	1,556.8	1,631.6	1,672.9
no. of applications/post	149	158	162
KCFRS			
no. of applications	45 717	47 759	47 706
funds disbursed (\$m)	276.0	306.5	312.8
no. of applications/post	663	654	636
Grant for School-related Expenses for Kindergarten Students ◇			
no. of applications	46 621	46 784	46 730
funds disbursed (\$m)	124.7	126.9	129.9
no. of applications/post	1 504	1 559	1 507
scholarships, merit awards and related schemes			
no. of applications	4 726	4 487	5 093
no. of scholarships, grants and awards granted	3 776	3 679	4 077
amount of scholarships, grants and awards disbursed (\$m)	24.6	29.4	29.8
no. of applications/post	315	280	300
CEFA Δ			
no. of applications	27 741	30 529	32 063 Ω
no. of claimsΩ	17 725	15 626	66 078
funds disbursed (\$m)	136.6	118.9	463.5
no. of applications/post	590	555	661
financial assistance for primary and secondary school students			
no. of family-based applications	170 624	171 654	172 717
no. of applications/post	758	743	714
EFRS			
no. of applications	15 092	—γ	12 717
funds disbursed (\$m)	33.3	—γ	30.2
SIA			
no. of family-based applications	134 086	128 190	128 952
funds disbursed (\$m)	148.1	151.7	156.4
STAS			
no. of applications	210 361	205 874	207 318
funds disbursed (\$m)	825.0	826.3	858.6
STSSθ			
no. of applications	204 818	199 364	199 171
funds disbursed (\$m)	470.7	463.1	472.6
DYJ@			
no. of applications	6 298	6 456	5 959
funds disbursed (\$m)	70.0	78.7	71.5
no. of applications/post	1 575	1 614	1 490
FAEAECφ			
no. of applications	619	640	640
funds disbursed (\$m)	3.3	3.7	3.8
no. of applications/post	310	320	320

◇ Kindergarten students who pass the means test and meet the eligibility criteria under the KCFRS are eligible for an additional grant to defray school-related expenses incurred from the students' kindergarten education starting from the 2017/18 school year.

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

- Ω No. of claims is a new indicator as from 2019–20. Upon the implementation of the CEF’s enhancement measures effective from 1 April 2019, the application procedures will be streamlined by combining the applications for account opening and those for first reimbursement claim of the CEF course fee. Applicants only need to submit their reimbursement claims (cum account opening applications as appropriate) within one year upon the successful completion of a CEF course. Meanwhile, all previously closed accounts will be reactivated and applicants can make use of the unused balance (if any) under the original subsidy of \$10,000, as well as the additional subsidy of \$10,000. The number of applications reflects the figures of newly opened accounts, while the number of claims indicates the figures of submitted reimbursement claims from all account holders.
- γ With the approval of the one-off relief measure announced in the 2018–19 Budget by the Finance Committee of the Legislative Council at the meeting on 18 May 2018, the Government will pay the examination fees for school candidates sitting for the 2019 Hong Kong Diploma of Secondary Education examinations, as well as eligible non-Chinese speaking students sitting for the General Certificate of Secondary Education (Chinese) Examination, the International General Certificate of Secondary Education (Chinese) Examination, the General Certificate of Education (GCE) Advanced Subsidiary-Level (Chinese) Examination and GCE Advanced-Level (Chinese) Examination in the 2018/19 school year. Hence, there is no need for needy students to apply for EFRS in the 2018/19 school year.
- θ Number of applications includes applications of primary and secondary school students as well as post-secondary students.
- @ Financial assistance for DYJ is disbursed on a reimbursement basis. The number of applications received and funds disbursed for students in the 2017/18 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 in the 2017/18 academic year are provisional figures only as reimbursement applications are still being processed.

5 In the 2017/18 academic year, around 784 000 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 2019–20

- 6 During 2019–20, the Agency will:
- continue to provide efficient and quality services to students under various student financial assistance schemes;
 - continue the concerted efforts to recover student loans in arrears;
 - implement the enhancement measures of the CEF with additional funding from the injection in 2018–19, including raising the subsidy ceiling, reactivating closed accounts, relaxing the upper age limit for applicants, expanding scope of courses, streamlining application procedures, enhancing the quality assurance and safeguards, etc.;
 - 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; and
 - provide a one-off support grant for financially needy students who are eligible for receiving means-tested student financial assistance in the 2019/20 school year.

Programme (2): Working Family Allowance and Individual-based Work Incentive Transport Subsidy^β

	2017–18 (Actual)	2018–19 (Original)	2018–19 (Revised)	2019–20 (Estimate)
Financial provision (\$m)	925.2	2,802.1	1,494.4 (–46.7%)	2,088.3 (+39.7%)
				(or –25.5% on 2018–19 Original)

β Applications under the Low-income Working Family Allowance (LIFA) Scheme were received starting from May 2016 onwards. The Scheme was renamed as the Working Family Allowance (WFA) Scheme with effect from 1 April 2018. The Agency will take over the implementation of the Individual-based Work Incentive Transport Subsidy (I-WITS) Scheme from the Labour Department with effect from 1 April 2019.

Aim

7 The aim is to administer efficiently and cost-effectively the WFA Scheme and the I-WITS Scheme. The WFA Scheme seeks to encourage self-reliance and ease inter-generational poverty. The I-WITS Scheme seeks to help relieve the burden of work-related travelling expenses on low-income earners so as to promote sustained employment.

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Brief Description

8 The Agency implemented the LIFA Scheme (renamed as the WFA Scheme with effect from 1 April 2018) in May 2016 to provide a means-tested allowance to eligible low-income working households, in particular those with children and youth. The Agency will take up the implementation of the I-WITS Scheme with effect from 1 April 2019 to provide a means-tested subsidy to eligible low-income earners.

Matters Requiring Special Attention in 2019–20

9 During 2019–20, the Agency will:

- continue to promote the WFA Scheme and assist eligible households in applying for the allowance;
- implement the I-WITS Scheme; and
- provide a one-off extra payment for eligible WFA households and I-WITS recipients.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2017–18 (Actual) (\$m)	2018–19 (Original) (\$m)	2018–19 (Revised) (\$m)	2019–20 (Estimate) (\$m)
(1) Student Assistance Scheme.....	4,438.3	5,105.7	4,717.4	5,383.7
(2) Working Family Allowance and Individual-based Work Incentive Transport Subsidy	925.2	2,802.1	1,494.4	2,088.3
	5,363.5	7,907.8	6,211.8 (–21.4%)	7,472.0 ^λ (+20.3%)
				(or –5.5% on 2018–19 Original)

^λ The provision excludes the cash flow requirements for implementing the Caring and Sharing Scheme, which does not fall under any of the above programmes.

Analysis of Financial and Staffing Provision

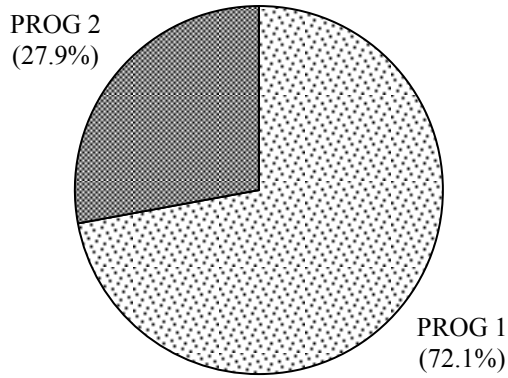
Programme (1)

Provision for 2019–20 is \$666.3 million (14.1%) higher than the revised estimate for 2018–19. This is mainly due to the additional cash flow requirement for the CEF and the non-recurrent one-off support grant for financially needy students who are eligible for receiving means-tested student financial assistance in the 2019/20 school year. There will be a net decrease of three posts in 2019–20.

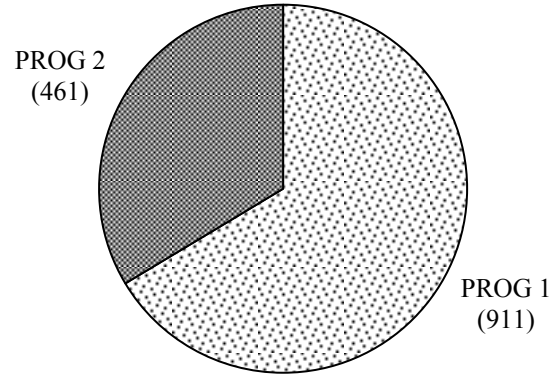
Programme (2)

Provision for 2019–20 is \$593.9 million (39.7%) higher than the revised estimate for 2018–19. This is mainly due to a possible increase in the disbursement of allowances under the WFA Scheme, the provision for disbursement of allowances under the I-WITS Scheme upon the Agency's taking over of the implementation of the Scheme with effect from 1 April 2019, and the disbursement of a one-off extra payment for eligible I-WITS recipients. There will be an increase of 93 posts in 2019–20.

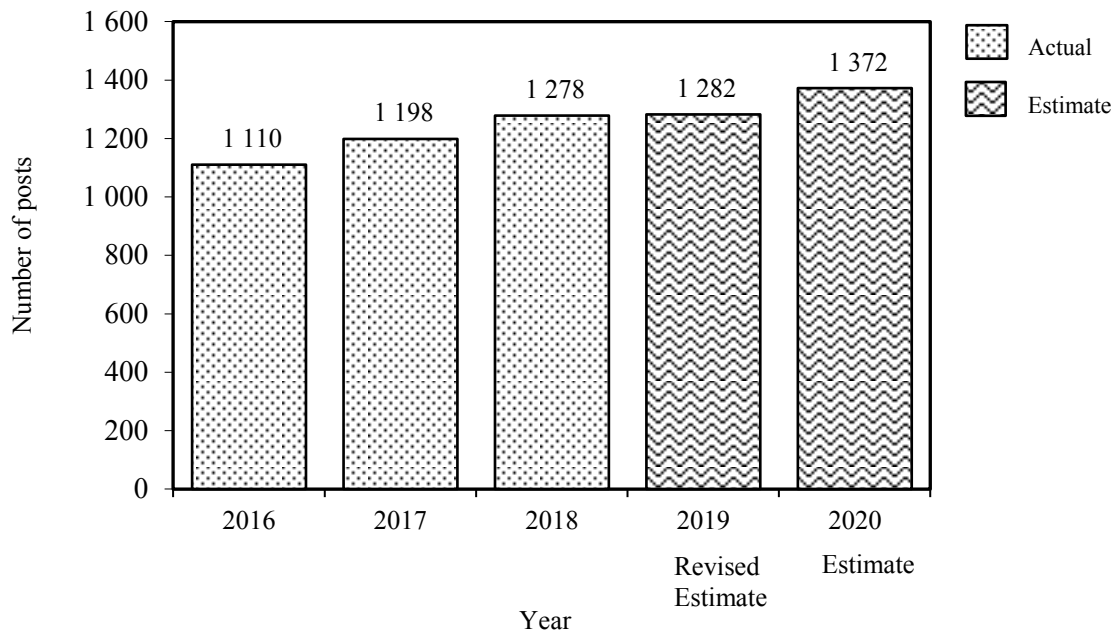
*Allocation of provision
to programmes
(2019-20)*



*Staff by programme
(as at 31 March 2020)*



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



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Sub-head (Code)	Actual expenditure 2017-18	Approved estimate 2018-19	Revised estimate 2018-19	Estimate 2019-20	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	675,343	801,998	733,241	885,869
199	Working family allowance.....	652,924	2,220,000	1,100,000	1,430,000
228	Student financial assistance	3,829,032	3,765,391	3,527,554	3,611,301
	Total, Recurrent.....	<u>5,157,299</u>	<u>6,787,389</u>	<u>5,360,795</u>	<u>5,927,170</u>
Non-Recurrent					
700	General non-recurrent	206,181	12,436,460	921,945	12,789,919
	Total, Non-Recurrent.....	<u>206,181</u>	<u>12,436,460</u>	<u>921,945</u>	<u>12,789,919</u>
	Total, Operating Account	<u>5,363,480</u>	<u>19,223,849</u>	<u>6,282,740</u>	<u>18,717,089</u>
	Total Expenditure	<u><u>5,363,480</u></u>	<u><u>19,223,849</u></u>	<u><u>6,282,740</u></u>	<u><u>18,717,089</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2019–20 for the operating expenses of the Working Family and Student Financial Assistance Agency is \$18,717,089,000. This represents an increase of \$12,434,349,000 over the revised estimate for 2018–19 and \$13,353,609,000 over the actual expenditure in 2017–18.

Operating Account

Recurrent

2 Provision of \$885,869,000 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 \$152,628,000 (20.8%) over the revised estimate for 2018–19 is mainly due to the increased salary provision for filling new and vacant posts and the increased provision of operating expenses for administering the Individual-based Work Incentive Transport Subsidy Scheme.

3 The establishment as at 31 March 2019 will be 1 282 permanent posts. It is expected that there will be a net increase of 90 permanent posts in 2019–20. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2019–20, but the notional annual mid-point salary value of all such posts must not exceed \$551,285,000.

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

	2017–18 (Actual) (\$'000)	2018–19 (Original) (\$'000)	2018–19 (Revised) (\$'000)	2019–20 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	393,326	466,579	436,383	530,028
- Allowances.....	6,111	6,502	6,705	8,400
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	3,568	3,602	2,978	2,176
- Civil Service Provident Fund contribution.....	13,455	23,587	19,871	33,133
Departmental Expenses				
- General departmental expenses	258,883	301,728	267,304	312,132
	<u>675,343</u>	<u>801,998</u>	<u>733,241</u>	<u>885,869</u>

5 Provision of \$1,430 million under *Subhead 199 Working family allowance* is for the disbursement of allowances under the Working Family Allowance Scheme, which provides a means-tested allowance to eligible low-income working households. There is an increase of \$330 million (30%) over the revised estimate for 2018–19 due to a possible increase in the number of applications.

6 Provision of \$3,611,301,000 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.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2018	Revised estimated expenditure for 2018–19	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
508	Continuing Education Fund		16,200,000	4,366,147	141,904	11,691,949
802	Additional provision for Low-income Working Family Allowance/Working Family Allowance recipients 2018		325,804	—	151,028	174,776
803	One-off support grant for needy students in the 2018/19 School Year		600,000	—	558,088	41,912
804	Caring and Sharing Scheme ^a		11,316,000	—	70,915	11,245,085
805	Individual-based Work Incentive Transport Subsidy ^α		705,000 ^α	—	—	705,000
806	Additional provision for Working Family Allowance recipients 2019 ^α		130,000 ^α	—	—	130,000
807	One-off support grant for needy students in the 2019/20 School Year ^α		725,000 ^α	—	—	725,000
808	Additional provision for Individual- based Work Incentive Transport Subsidy recipients 2019 ^α		19,000 ^α	—	—	19,000
	Total		<u>30,020,804</u>	<u>4,366,147</u>	<u>921,935</u>	<u>24,732,722</u>

^a The Scheme was a budget initiative and the relevant funding was approved through the enactment of the Appropriation Bill 2018. The Agency is responsible for implementing the Caring and Sharing Scheme by processing applications and making payments. Payment to the first batch of successful applicants is expected to be made in April 2019.

^α This is a new item, funding for which is sought in the context of the Appropriation Bill 2019.