

## 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 2020–21** ..... **\$7,075.0m**

**Establishment ceiling 2020–21** (notional annual mid-point salary value) representing an estimated 1 368 non-directorate posts as at 31 March 2020 rising by two posts to 1 370 posts as at 31 March 2021..... **\$566.9m**

In addition, there will be an estimated four directorate posts as at 31 March 2020 and as at 31 March 2021.

**Commitment balance**..... **\$12,132.9m**

### Controlling Officer's Report

#### Programmes

<b>Programme (1) Student Assistance Scheme</b>	This programme contributes to Policy Area 16: Education (Secretary for Education) and Policy Area 34: Manpower Development (Secretary for Labour and Welfare).
<b>Programme (2) Working Family Allowance and Individual-based Work Incentive Transport Subsidy</b>	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

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	4,734.7	5,383.7	4,838.1 (–10.1%)	<b>4,658.8</b> (–3.7%)
				(or –13.5% on 2019–20 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 <sup>Ψ</sup>	Academic Year		
		2018/19 (Actual)	2019/20 (Revised Estimate)	2020/21 (Estimate)
<b>TSFS</b>				
application for financial assistance (%).....	60 days	98.7	99.0	<b>99.0</b>
application for review of financial assistance (%).....	70 days	100	100	<b>100</b>
<b>FASP</b>				
application for financial assistance (%).....	60 days	94.7	98.0	<b>98.0</b>
application for review of financial assistance (%).....	70 days	100	100	<b>100</b>
<b>Non-means-tested Loan Schemes (NLS) (%).....</b>				
KCFRS (%).....	21 days	100	99	<b>99</b>
CEF(%) <sup>◇</sup> .....	2 months	100	100	<b>100</b>
financial assistance for primary and secondary school students (eligibility assessment) (%) <sup>^</sup> .....	6-8 weeks <sup>◇</sup>	100	100	<b>100</b>
	3 months	100	100	<b>100</b>

<sup>Ψ</sup> Target processing time is subject to submission of complete supporting documents by the applicants.

<sup>◇</sup> The target processing time is revised from two weeks to six to eight weeks as from 2020–21. For 2018–19, processing time refers to application for account opening. Starting from 2019–20, processing time refers to application for reimbursement claim for existing account holders and account opening together with first reimbursement claim for new applicants, the target processing time of which should be six weeks and eight weeks respectively.

<sup>^</sup> 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>		
	2018/19 (Actual)	2019/20 (Revised Estimate)	<b>2020/21 (Estimate)</b>
<b>TSFS</b>			
no. of applications .....	23 741	22 060	<b>23 781</b>
funds disbursed (\$m) (including grants and loans).....	969.6	894.5	<b>986.1</b>
no. of applications/post .....	126	119	<b>128</b>
<b>FASP</b>			
no. of applications .....	20 709	19 285	<b>20 134</b>
funds disbursed (\$m) (including grants and loans).....	939.7	872.8	<b>953.0</b>
no. of applications/post .....	112	115	<b>120</b>
<b>NLS</b>			
no. of applications .....	38 302	39 123	<b>39 923</b>
funds disbursed (\$m) (loans).....	1,551.2	1,624.1	<b>1,706.2</b>
no. of applications/post .....	147	152	<b>154</b>
<b>KCFRS</b>			
no. of applications .....	44 226	44 823	<b>43 794</b>
funds disbursed (\$m).....	289.2	281.2	<b>283.9</b>
no. of applications/post .....	606	598	<b>584</b>
<b>Grant for School-related Expenses for Kindergarten Students</b>			
no. of applications .....	45 794	46 819	<b>45 590</b>
funds disbursed (\$m).....	118.5	124.3	<b>124.1</b>
no. of applications/post .....	1 526	1 510	<b>1 470</b>
<b>scholarships, merit awards and related schemes</b>			
no. of applications .....	4 528	5 166	<b>4 645</b>
no. of scholarships, grants and awards granted.....	3 682	4 144	<b>3 641</b>
amount of scholarships, grants and awards disbursed (\$m) .....	24.7	30.0	<b>31.1</b>
no. of applications/post .....	283	304	<b>274</b>
<b>CEFA</b>			
no. of applicationsΩ .....	28 874	5 188	<b>10 376</b>
no. of claimsΩ .....	16 594	24 040	<b>48 080</b>
funds disbursed (\$m).....	124.3	188.6	<b>377.2</b>
no. of claims/post .....	302	240	<b>481</b>
<b>financial assistance for primary and secondary school students</b>			
no. of family-based applications .....	168 320	168 895	<b>171 032</b>
no. of applications/post .....	729	698	<b>704</b>
<b>EFRS</b>			
no. of applications .....	—γ	—γ	<b>12 244</b>
funds disbursed (\$m).....	—γ	—γ	<b>30.3</b>
<b>SIA</b>			
no. of family-based applications .....	135 632	130 873	<b>132 514</b>
funds disbursed (\$m).....	158.9	153.4	<b>159.2</b>
<b>STAS</b>			
no. of applications .....	208 353	204 775	<b>207 556</b>
funds disbursed (\$m).....	828.7	832.9	<b>868.9</b>
<b>STSSθ</b>			
no. of applications .....	201 804	196 902	<b>198 698</b>
funds disbursed (\$m).....	473.5	482.9	<b>497.8</b>
<b>DYJ@</b>			
no. of applications .....	6 198	6 399	<b>6 124</b>
funds disbursed (\$m).....	68.9	76.3	<b>73.4</b>
no. of applications/post .....	1 550	1 600	<b>1 531</b>
<b>FAEAECφ</b>			
no. of applications .....	614	552	<b>552</b>
funds disbursed (\$m).....	3.2	3.0	<b>3.1</b>
no. of applications/post .....	307	276	<b>276</b>

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 have been 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. All accounts closed before 1 April 2019 can also be reactivated. The number of applications reflects the figures of newly opened accounts including those reactivated 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 and 2019–20 Budget by the Finance Committee of the Legislative Council at the meetings on 18 May 2018 and 31 May 2019 respectively, the Government will pay the examination fees for school candidates sitting for the 2019 and 2020 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 and 2019/20 school years. Hence, there is no need for needy students to apply for EFRS in the 2018/19 and 2019/20 school years.
- 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 2018/19 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 2018/19 academic year are provisional figures only as reimbursement applications are still being processed.

5 In the 2018/19 academic year, around 746 000 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 2020–21***

6 During 2020–21, 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; and
- utilise the developed 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): Working Family Allowance and Individual-based Work Incentive Transport Subsidy<sup>β</sup>**

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	<b>2020–21 (Estimate)</b>
Financial provision (\$m)	1,514.9	2,088.3	2,042.7 (–2.2%)	<b>2,416.2</b> (+18.3%)
				(or +15.7% on 2019–20 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 has taken over the administration of the Individual-based Work Incentive Transport Subsidy (I-WITS) Scheme from the Labour Department since 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.

***Brief Description***

8 The Agency has implemented the WFA Scheme (formerly known as the LIFA Scheme) since 1 April 2018 to provide a means-tested allowance to eligible low-income working households, in particular those with children and youth. The Agency has also taken over the administration of the I-WITS Scheme since 1 April 2019 to provide a means-tested subsidy to eligible low-income earners.

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### ***Matters Requiring Special Attention in 2020–21***

9 During 2020–21, all payment rates of WFA Scheme will be increased in tandem with the improvements of the Comprehensive Social Security Assistance Scheme as announced in the Chief Executive’s 2019 Policy Address. The Agency will:

- continue to promote the WFA Scheme and assist eligible households in applying for the allowance;
- continue to administer the I-WITS Scheme;
- provide a special allowance for WFA households and student financial assistance beneficiary households under the Anti-epidemic Fund; and
- provide a one-off extra payment for eligible I-WITS recipients.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2018–19 (Actual) (\$m)	2019–20 (Original) (\$m)	2019–20 (Revised) (\$m)	2020–21 (Estimate) (\$m)
(1) Student Assistance Scheme .....	4,734.7	5,383.7	4,838.1	4,658.8
(2) Working Family Allowance and Individual-based Work Incentive Transport Subsidy .....	1,514.9	2,088.3	2,042.7	2,416.2
	6,249.6 $\lambda$	7,472.0 $\lambda$	6,880.8 $\lambda$ (-7.9%)	7,075.0 (+2.8%)
				(or -5.3% on 2019–20 Original)

$\lambda$  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

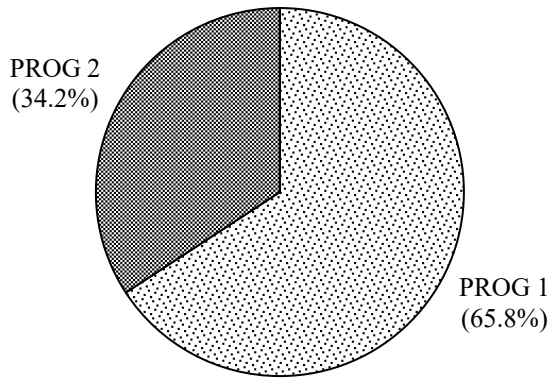
##### Programme (1)

Provision for 2020–21 is \$179.3 million (3.7%) lower than the revised estimate for 2019–20. This is mainly due to the reduced cash flow requirement for 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, partly offset by the additional cash flow requirement for student financial assistance and the CEF. There will be a net increase of two posts in 2020–21.

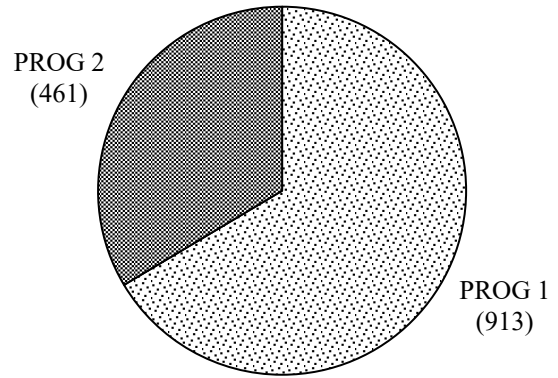
##### Programme (2)

Provision for 2020–21 is \$373.5 million (18.3%) higher than the revised estimate for 2019–20. This is mainly due to a possible increase in the disbursement of allowances under the WFA Scheme upon raising all payment rates of the Scheme.

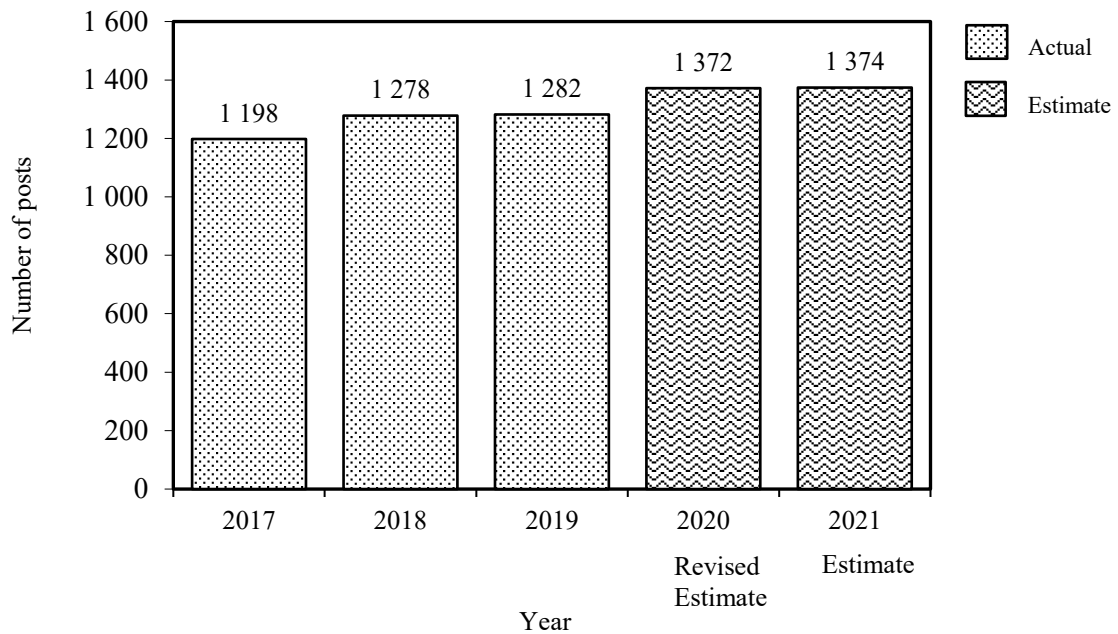
*Allocation of provision  
to programmes  
(2020-21)*



*Staff by programme  
(as at 31 March 2021)*



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



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Sub-head (Code)	Actual expenditure 2018–19	Approved estimate 2019–20	Revised estimate 2019–20	<b>Estimate 2020–21</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	728,041	885,869	854,379	<b>922,358</b>
199	Working family allowance.....	1,130,172	1,430,000	1,300,000	<b>1,890,000</b>
228	Student financial assistance .....	3,552,308	3,611,301	3,408,967	<b>3,648,795</b>
	Total, Recurrent.....	<u>5,410,521</u>	<u>5,927,170</u>	<u>5,563,346</u>	<u><b>6,461,153</b></u>
Non-Recurrent					
700	General non-recurrent .....	871,340	12,789,919	12,601,098	<b>613,887</b>
	Total, Non-Recurrent.....	<u>871,340</u>	<u>12,789,919</u>	<u>12,601,098</u>	<u><b>613,887</b></u>
	Total, Operating Account .....	<u>6,281,861</u>	<u>18,717,089</u>	<u>18,164,444</u>	<u><b>7,075,040</b></u>
	Total Expenditure .....	<u><u>6,281,861</u></u>	<u><u>18,717,089</u></u>	<u><u>18,164,444</u></u>	<u><u><b>7,075,040</b></u></u>



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### Details of Expenditure by Subhead

The estimate of the amount required in 2020–21 for the operating expenses of the Working Family and Student Financial Assistance Agency is \$7,075,040,000. This represents a decrease of \$11,089,404,000 against the revised estimate for 2019–20 and an increase of \$793,179,000 over the actual expenditure in 2018–19.

#### Operating Account

##### Recurrent

2 Provision of \$922,358,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Working Family and Student Financial Assistance Agency.

3 The establishment as at 31 March 2020 will be 1 372 permanent posts. It is expected that there will be a net increase of two permanent posts in 2020–21. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2020–21, but the notional annual mid-point salary value of all such posts must not exceed \$566,911,000.

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

	2018–19 (Actual) (\$'000)	2019–20 (Original) (\$'000)	2019–20 (Revised) (\$'000)	2020–21 (Estimate) (\$'000)
Personal Emoluments				
- Salaries .....	432,301	530,028	523,668	560,439
- Allowances .....	5,622	8,400	8,480	8,504
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	2,890	2,176	2,455	2,701
- Civil Service Provident Fund contribution .....	19,224	33,133	28,232	36,288
Departmental Expenses				
- General departmental expenses .....	268,004	312,132	291,544	314,426
	728,041	885,869	854,379	922,358

5 Provision of \$1,890 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 \$590 million (45.4%) over the revised estimate for 2019–20 due to increased payment rates under the Scheme as well as the possible increase in the number of applications.

6 Provision of \$3,648,795,000 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 31.3.2019	Revised estimated expenditure for 2019–20	Balance
			\$'000	\$'000	\$'000	\$'000
<b><i>Operating Account</i></b>						
700		<i>General non-recurrent</i>				
	508	Continuing Education Fund .....	16,200,000	4,508,609	220,955	11,470,436
	805	Individual-based Work Incentive Transport Subsidy .....	705,000	—	125,240	579,760
	806	Additional provision for Working Family Allowance recipients 2019 .....	130,000	—	112,054	17,946
	807	One-off support grant for needy students in the 2019/20 School Year .....	725,000	—	682,585	42,415
	808	Additional provision for Individual-based Work Incentive Transport Subsidy recipients 2019 .....	19,000	—	13,099	5,901
	809	One-off extra allowance to Working Family Allowance recipients .....	136,000	—	135,592	408
	810	One-off extra allowance to Individual-based Work Incentive Transport Subsidy recipients .....	19,000	—	18,962	38
	811	Additional provision for Individual-based Work Incentive Transport Subsidy recipients 2020 <sup>□</sup> .....	16,000 <sup>□</sup>	—	—	16,000
		<b>Total .....</b>	<b>17,950,000</b>	<b>4,508,609</b>	<b>1,308,487</b>	<b>12,132,904</b>

□ This is a new item, funding for which is sought in the context of the Appropriation Bill 2020.