

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 2023–24 **\$7,841.1m**

Establishment ceiling 2023–24 (notional annual mid-point salary value) representing an estimated 1 368 non-directorate posts as at 31 March 2023 and as at 31 March 2024..... **\$579.4m**

In addition, there will be an estimated four directorate posts as at 31 March 2023 and as at 31 March 2024.

Commitment balance..... **\$10,379.3m**

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 This programme contributes to Policy Area 14: Social Welfare (Secretary for Labour and Welfare).

Detail

Programme (1): Student Assistance Scheme

	2021–22 (Actual)	2022–23 (Original)	2022–23 (Revised)	2023–24 (Estimate)
Financial provision (\$m)	4,531.8	5,299.2	4,562.0 (–13.9%)	4,848.4 (+6.3%)
				(or –8.5% on 2022–23 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 scholarships 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 and 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;
- 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;

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- 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) Programme (which will be taken over by the Diploma of Applied Education (DAE) Programme from the 2023/24 academic year onwards)¶ for eligible students taking subjects under DYJ/DAE 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 — Working Family and Student Financial Assistance Agency.

¶ The expenditure on fee reimbursement under DYJ Programme (which will be taken over by DAE Programme from the 2023/24 academic year onwards) 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		
		2021/22 (Actual)	2022/23 (Revised Estimate)	2023/24 (Estimate)
TSFS				
application for financial assistance (%).....	60 days	98.7	99.0	99.0
application for review of financial assistance (%).....	70 days	100	100	100
FASP				
application for financial assistance (%).....	60 days	98.8	99.0	99.0
application for review of financial assistance (%).....	70 days	100	100	100
Non-means-tested Loan Schemes (NLS) (%).....	21 days	100	99	99
KCFRS (%).....	2 months	100	100	100
CEF(%)[◇].....	6-8 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.

[◇] 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 is six weeks and eight weeks respectively.

[^] Financial assistance for primary and secondary school students comprises STSS (also for full-time post-secondary students), EFRS, STAS, SIA, DYJ (DAE from the 2023/24 academic year onwards) and FAEAEC.

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Indicators

	<i>Academic Year</i>		
	2021/22 (Actual)	2022/23 (Revised Estimate)	2023/24 (Estimate)
TSFS			
no. of applications	20 540	19 610	20 003
funds disbursed (\$m) (including grants and loans).....	877.3	854.2	875.4
no. of applications/post	111	106	108
FASP			
no. of applications	17 405	16 313	15 838
funds disbursed (\$m) (including grants and loans).....	891.1	862.3	858.0
no. of applications/post	104	97	94
NLS			
no. of applications	32 928	32 539	32 831
funds disbursed (\$m) (loans).....	1,516.0	1,563.1	1,637.3
no. of applications/post	127	126	127
KCFRSϕ			
no. of applications	47 064	45 648	41 955
funds disbursed (\$m).....	302.0	302.8	290.2
no. of applications/post	627	609	559
Grant for School-related Expenses for Kindergarten Students			
no. of applications	44 766	43 376	39 653
funds disbursed (\$m).....	123.7	121.8	113.8
no. of applications/post	1 444	1 399	1 279
scholarships, merit awards and related schemes			
no. of applications	5 957	6 322	6 189
no. of scholarships, grants and awards granted.....	4 413	5 226	5 181
amount of scholarships, grants and awards disbursed (\$m).....	30.6	30.2	31.3
no. of applications/post	351	372	365
CEFAΔ			
no. of applications	45 054	50 562 Ω	60 675Ω
no. of claims	50 160	54 417 Ω	65 301Ω
funds disbursed (\$m).....	452.2	480.0 Ω	600.8Ω
no. of claims/post	539	523	531
financial assistance for primary and secondary school students			
no. of family-based applications	168 853	165 566	162 738
no. of applications/post	694	682	670
EFRS			
no. of applications	— γ	— γ	12 714
funds disbursed (\$m).....	— γ	— γ	32.1
SIA			
no. of family-based applications	149 383	146 384	143 974
funds disbursed (\$m).....	186.4	182.6	190.9
STAS			
no. of applications	208 624	204 630	201 128
funds disbursed (\$m).....	894.9	896.1	907.0
STSS			
no. of applications θ	204 208	200 047	196 395
funds disbursed (\$m).....	486.1	483.4	487.6
DYJ@			
no. of applications	4 280	5 743	5 958
funds disbursed (\$m).....	34.0	66.4	76.5
no. of applications/post	1 070	1 436	1 490
FAEAECϕ			
no. of applications	567	692	692
funds disbursed (\$m).....	3.0	3.6	3.7
no. of applications/post	284	346	346

ϕ The fee remission ceiling has been uplifted from the 75th percentile to the 100th percentile of the school fees of kindergartens under the kindergarten education scheme starting from the 2022/23 academic year.

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

Ω The rising trend is expected to continue in 2023–24, following the increase in subsidy ceiling from \$20,000 to \$25,000 per learner with effect from August 2022.

- γ As a one-off relief measure announced in the 2021–22 and 2022–23 Budgets, the Government has paid/will pay the examination fees for school candidates sitting for the 2022 and 2023 Hong Kong Diploma of Secondary Education Examination. Accordingly, the Government has paid/will pay the examination fees for 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 2021/22 and 2022/23 academic years. Hence, there is no need for needy students to apply for EFRS in the 2021/22 and 2022/23 academic years.
- θ Number of applications includes applications of primary and secondary school students as well as post-secondary students.
- @ Financial assistance under DYJ Programme (which will be taken over by DAE Programme from the 2023/24 academic year onwards) is provided on a reimbursement basis. The number of applications received and funds disbursed for students in the 2021/22 academic year are provisional figures only as reimbursement applications are still being processed.
- φ Financial assistance under FAEAEC is provided on a reimbursement basis. The number of applications received and funds disbursed for students in the 2021/22 academic year are provisional figures only as reimbursement applications are still being processed.

5 In the 2021/22 academic year, around 786 000 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.

6 In the 2022/23 academic year, the Agency implemented improvement measures to facilitate online applications, streamlined the arrangements for student loan applicants to submit their applications, launched a chatbot to enhance enquiry services on student financial assistance schemes, and made use of mobile devices to facilitate the conduct of home visits and interviews.

Matters Requiring Special Attention in 2023–24

7 During 2023–24, 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
- continue to adopt information technology to improve service delivery and enhance efficiency for processing applications, including developing a centralised e-service portal to facilitate single sign-on for different e-services of the Agency.

Programme (2): Working Family Allowance

	2021–22 (Actual)	2022–23 (Original)	2022–23 (Revised)	2023–24 (Estimate)
Financial provision (\$m)	2,571.2	3,090.9	2,599.6 (–15.9%)	2,992.7 (+15.1%)
				(or –3.2% on 2022–23 Original)

Aim

8 The aim is to administer efficiently and cost-effectively the Working Family Allowance (WFA) Scheme, which seeks to encourage self-reliance and ease inter-generational poverty.

Brief Description

9 The Agency has implemented the WFA Scheme (formerly known as the Low-income Working Family Allowance Scheme) since 1 April 2018 to provide means-tested allowance to eligible low-income working households, in particular those with children and youth.

10 The Agency implemented several improvement measures to facilitate online applications, and launched a chatbot to enhance enquiry services on WFA Scheme.

Matters Requiring Special Attention in 2023–24

11 During 2023–24, the Agency will:

- continue to promote and administer the WFA Scheme and assist eligible households in applying for the allowance;

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- continue to adopt information technology to improve service delivery and enhance efficiency for processing applications, including developing a centralised e-service portal to facilitate single sign-on for different e-services of the Agency; and
- provide a one-off extra payment for eligible recipients.

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ANALYSIS OF FINANCIAL PROVISION

	2021–22 (Actual) (\$m)	2022–23 (Original) (\$m)	2022–23 (Revised) (\$m)	2023–24 (Estimate) (\$m)
Programme				
(1) Student Assistance Scheme	4,531.8	5,299.2	4,562.0	4,848.4
(2) Working Family Allowance	2,571.2	3,090.9	2,599.6	2,992.7
	7,103.0 ^λ	8,390.1	7,161.6 ^λ (–14.6%)	7,841.1 (+9.5%)
				(or –6.5% on 2022–23 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

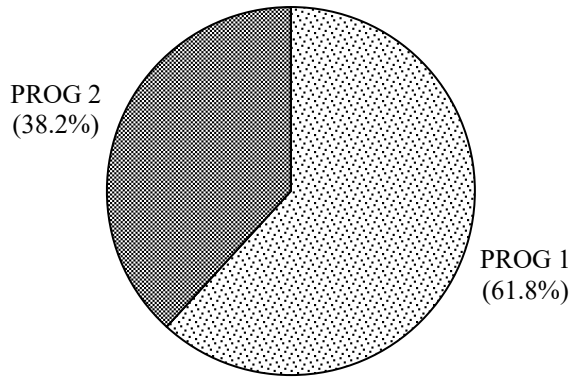
Programme (1)

Provision for 2023–24 is \$286.4 million (6.3%) higher than the revised estimate for 2022–23. This is mainly due to the additional cash flow requirement for operating expenses, student financial assistance and CEF.

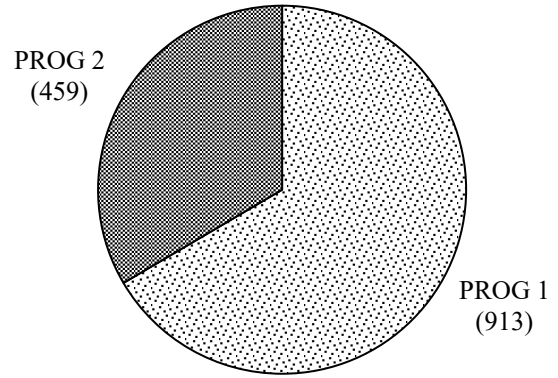
Programme (2)

Provision for 2023–24 is \$393.1 million (15.1%) higher than the revised estimate for 2022–23. This is mainly due to the increased provision for disbursement of allowances under the WFA Scheme.

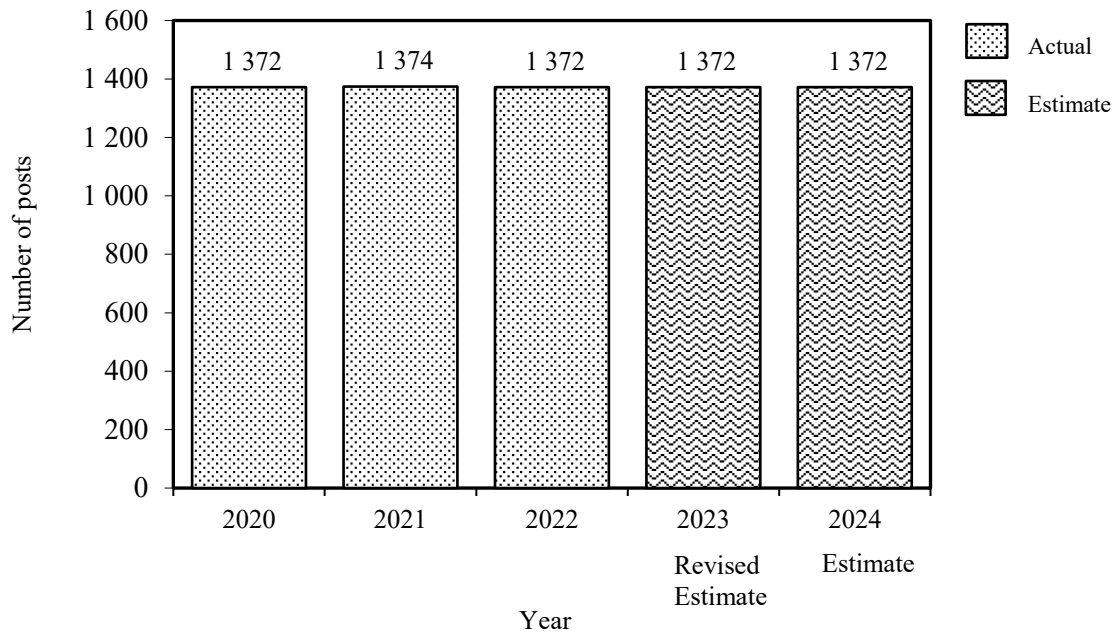
*Allocation of provision
to programmes
(2023-24)*



*Staff by programme
(as at 31 March 2024)*



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



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Sub-head (Code)	Actual expenditure 2021–22	Approved estimate 2022–23	Revised estimate 2022–23	Estimate 2023–24	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	850,059	1,007,146	922,684	1,051,684
199	Working family allowance.....	2,062,360	2,570,066	2,126,835	2,464,137
228	Student financial assistance	3,558,047	3,876,231	3,509,971	3,574,519
	Total, Recurrent.....	<u>6,470,466</u>	<u>7,453,443</u>	<u>6,559,490</u>	<u>7,090,340</u>
Non-Recurrent					
700	General non-recurrent	633,582	936,636	602,726	750,795
	Total, Non-Recurrent.....	<u>633,582</u>	<u>936,636</u>	<u>602,726</u>	<u>750,795</u>
	Total, Operating Account	<u>7,104,048</u>	<u>8,390,079</u>	<u>7,162,216</u>	<u>7,841,135</u>
	Total Expenditure	<u><u>7,104,048</u></u>	<u><u>8,390,079</u></u>	<u><u>7,162,216</u></u>	<u><u>7,841,135</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2023–24 for the operating expenses of the Working Family and Student Financial Assistance Agency is \$7,841,135,000. This represents an increase of \$678,919,000 over the revised estimate for 2022–23 and \$737,087,000 over the actual expenditure in 2021–22.

Operating Account

Recurrent

2 Provision of \$1,051,684,000 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 \$129 million (14.0%) over the revised estimate for 2022–23 is mainly due to the salary provision for filling of vacancies.

3 The establishment as at 31 March 2023 will be 1 372 permanent posts. No change in establishment is expected in 2023–24. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2023–24, but the notional annual mid-point salary value of all such posts must not exceed \$579,369,000.

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

	2021–22 (Actual) (\$'000)	2022–23 (Original) (\$'000)	2022–23 (Revised) (\$'000)	2023–24 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	494,834	568,700	521,304	594,922
- Allowances	7,300	10,121	10,406	11,534
- Job-related allowances.....	288	—	270	315
Personnel Related Expenses				
- Mandatory Provident Fund contribution	2,422	2,242	2,235	2,516
- Civil Service Provident Fund contribution	33,718	45,799	40,470	54,483
Departmental Expenses				
- General departmental expenses	311,497	380,284	347,999	387,914
	850,059	1,007,146	922,684	1,051,684

5 Provision of \$2,464,137,000 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 \$337,302,000 (15.9%) over the revised estimate for 2022–23 in anticipation of possible increase in the number of applications.

6 Provision of \$3,574,519,000 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 \$'000	Accumulated expenditure to 31.3.2022 \$'000	Revised estimated expenditure for 2022–23 \$'000	Balance \$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	508	Continuing Education Fund	16,200,000	5,451,606	508,650	10,239,744
	814	Additional provision for Working Family Allowance recipients 2022	117,000	—	93,449	23,551
	815	Additional provision for Working Family Allowance recipients 2023 [⊠]	116,000 [⊠]	—	—	116,000
		Total	16,433,000	5,451,606	602,099	10,379,295

⊠ This is a new item, funding for which is sought in the context of the Appropriation Bill 2023.