

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 2016–17 **\$8,270.5m**

Establishment ceiling 2016–17 (notional annual mid-point salary value) representing an estimated 1 113 non-directorate posts as at 31 March 2016 rising by 81 posts to 1 194 posts as at 31 March 2017..... **\$419.1m**

In addition, there will be an estimated four directorate posts as at 31 March 2016 and as at 31 March 2017.

Commitment balance..... **\$2,145.3m**

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) 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

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	2016–17 (Estimate)
Financial provision (\$m)	4,787.2	5,377.4	4,827.0 (–10.2%)	5,089.9 (+5.4%)
				(or –5.3% on 2015–16 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 Diploma Yi Jin (DYJ)¶ for eligible students taking modules 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 charged to 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 “Diploma Yi Jin” with effect from 1 January 2016, while the Chinese award title remains unchanged.

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		
		2014/15 (Actual)	2015/16 (Revised Estimate)	2016/17 (Estimate)
TSFS				
application for financial assistance (%).....	60 days	99.3	99.0	99.0
application for review of financial assistance (%).....	70 days	100	100	100
FASP				
application for financial assistance (%).....	60 days	98.2	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
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) (%) [^]	3 months	100	100	100
PEVS (eligibility assessment) (%).....	6-8 weeks	100	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, DYJ and FAEAEC.

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Indicators

	<i>Academic Year</i>		
	2014/15 (Actual)	2015/16 (Revised Estimate)	2016/17 (Estimate)
TSFS			
no. of applications	31 010	29 903	30 171
funds disbursed (\$m) (including grants and loans)	1,264.4	1,247.3	1,309.2
no. of applications/post	154	151	150
FASP			
no. of applications	27 367	26 600	26 173
funds disbursed (\$m) (including grants and loans)	1,306.5	1,326.3	1,365.2
no. of applications/post	154	137	133
NLS			
no. of applications	39 283	41 285	42 720
funds disbursed (\$m) (loans)	1,460.1	1,615.0	1,744.4
no. of applications/post	177	181	176
KCFRS			
no. of applications	42 304	47 475	46 536
funds disbursed (\$m)	502.1	523.2	641.4
no. of applications/post	881	819	931
Scholarships, Merit Awards and related Schemes			
no. of applications	4 811	4 929	4 670
no. of scholarships, grants and awards granted	3 670	3 720	3 490
amount of scholarships, grants and awards disbursed (\$m)	29.4	32.1	33.7
no. of applications/post	321	308	275
CEFA			
no. of applications	32 849	30 163	30 986
funds disbursed (\$m)	175.3	157.8	164.0
no. of applications/post	801	754	756
Financial assistance for primary and secondary school students			
no. of family-based applications	190 486	187 776	187 980
no. of applications/post	858	789	770
EFRS			
no. of applications	20 977	19 202	17 580
funds disbursed (\$m)	42.0	39.2	36.0
SIA			
no. of family-based applications	159 491	157 769	158 767
funds disbursed (\$m)	161.0	151.4	160.6
STAS			
no. of applications	234 761	226 954	227 329
funds disbursed (\$m)	815.3	822.0	856.8
STSSθ			
no. of applications	215 340	211 446	208 732
funds disbursed (\$m)	476.3	481.3	473.1
DYJ@			
no. of applications	7 204	6 476	6 411
funds disbursed (\$m)	84.0	77.1	76.0
no. of applications/post	2 401	2 159	2 137
FAEAECφ			
no. of applications	760	757	757
funds disbursed (\$m)	4.0	4.4	4.6
no. of applications/post	380	379	379
PEVSY			
no. of applications	52 374	63 936	54 246
no. of Certificates of Eligibility for the PEVS issued	51 905	63 297	53 704
voucher value involved (\$m)	951.4	1,424.8	1,246.4
no. of applications/post	1 164	1 031	1 064

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.

- @ Financial assistance for DYJ is disbursed on a reimbursement basis. The number of applications received and funds disbursed for students of the 2014/15 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 2014/15 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 2014/15 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 2014/15 academic year, around 869 000 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 2016–17

7 During 2016–17, the Agency will:

- continue to process applications for means-tested fee remission under KCFRS at 75th percentile of the school fees of kindergartens under PEVS in the 2016/17 school year before the implementation of the new kindergarten education policy in the 2017/18 school year;
- 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 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

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	2016–17 (Estimate)
Financial provision (\$m)	2.0	177.9	121.4 (–31.8%)	3,180.6 (+2 519.9%)
				(or +1 687.9% on 2015–16 Original)

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 implement the LIFA Scheme in 2016–17 to provide a means-tested allowance to eligible low-income working families, in particular those with children and youth.

Matters Requiring Special Attention in 2016–17

10 During 2016–17, the Agency will start to receive applications under the LIFA Scheme. The Scheme seeks to provide a new means-tested allowance to eligible low-income working families to encourage self-reliance and ease inter-generational poverty.

ANALYSIS OF FINANCIAL PROVISION

Programme	2014–15 (Actual) (\$m)	2015–16 (Original) (\$m)	2015–16 (Revised) (\$m)	2016–17 (Estimate) (\$m)
(1) Student Assistance Scheme.....	4,787.2	5,377.4	4,827.0	5,089.9
(2) Low-income Working Family Allowance	2.0	177.9	121.4	3,180.6
	4,789.2	5,555.3	4,948.4 (–10.9%)	8,270.5 (+67.1%)
				(or +48.9% on 2015–16 Original)

Analysis of Financial and Staffing Provision

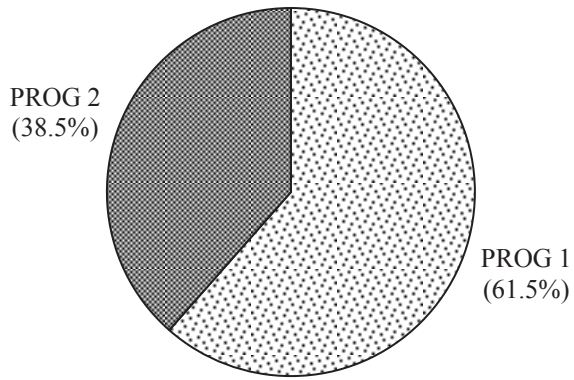
Programme (1)

Provision for 2016–17 is \$262.9 million (5.4%) higher than the revised estimate for 2015–16. This is mainly due to the increased provision for disbursement under various student financial assistance schemes, as well as an increase of 81 civil service posts for strengthening the manpower support in handling various student financial assistance schemes.

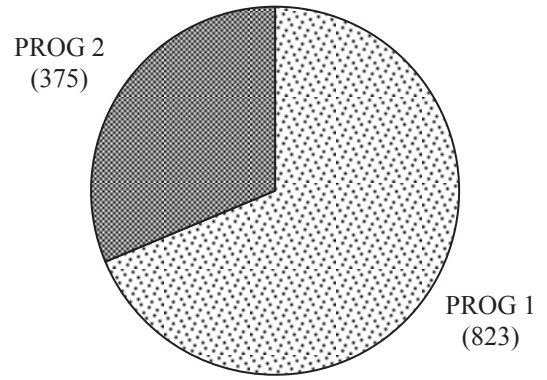
Programme (2)

Provision for 2016–17 is \$3,059.2 million (2 519.9%) higher than the revised estimate for 2015–16. This is mainly due to the full-year effect of 375 posts and the disbursement of allowances under the LIFA Scheme which begins in 2016–17.

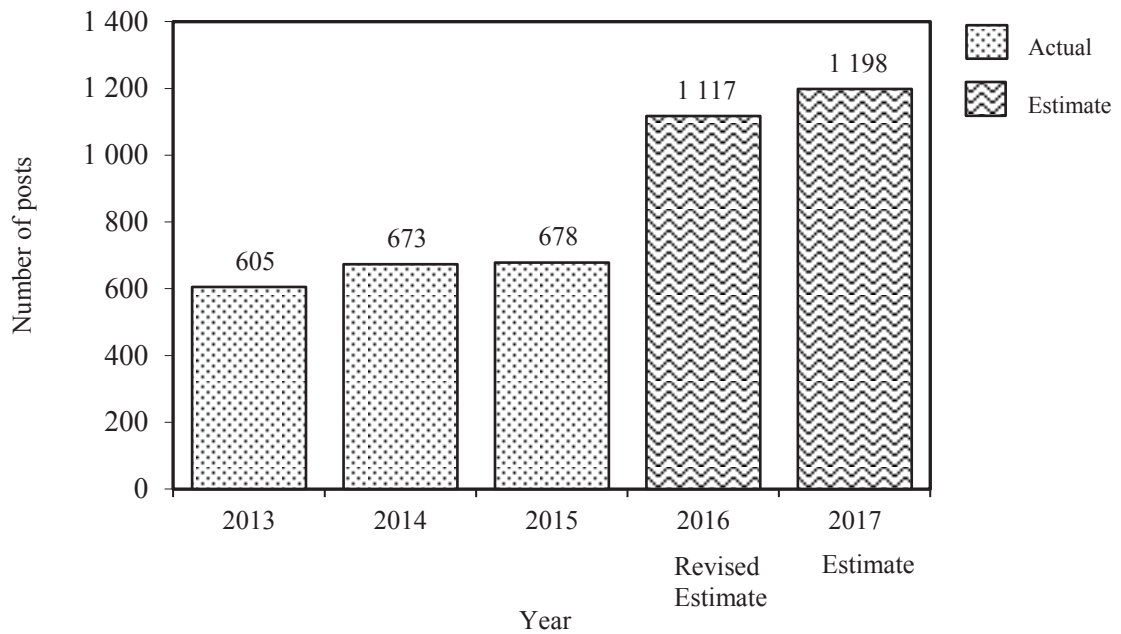
Allocation of provision to programmes (2016-17)



Staff by programme (as at 31 March 2017)



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



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Sub-head (Code)	Actual expenditure 2014-15	Approved estimate 2015-16	Revised estimate 2015-16	Estimate 2016-17	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	344,667	575,978	508,010	687,074
199	Low-income working family allowance	—	—	—	2,934,000
228	Student financial assistance	4,258,412	4,787,700	4,271,721	4,472,997
	Total, Recurrent	<u>4,603,079</u>	<u>5,363,678</u>	<u>4,779,731</u>	<u>8,094,071</u>
Non-Recurrent					
700	General non-recurrent	186,110	191,577	168,653	176,401
	Total, Non-Recurrent	<u>186,110</u>	<u>191,577</u>	<u>168,653</u>	<u>176,401</u>
	Total, Operating Account	<u>4,789,189</u>	<u>5,555,255</u>	<u>4,948,384</u>	<u>8,270,472</u>
	Total Expenditure	<u><u>4,789,189</u></u>	<u><u>5,555,255</u></u>	<u><u>4,948,384</u></u>	<u><u>8,270,472</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2016–17 for the operating expenses of the Working Family and Student Financial Assistance Agency is \$8,270,472,000. This represents an increase of \$3,322,088,000 over the revised estimate for 2015–16 and \$3,481,283,000 over the actual expenditure in 2014–15.

Operating Account

Recurrent

2 Provision of \$687,074,000 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 \$179,064,000 (35.2%) over the revised estimate for 2015–16 is mainly due to the full-year effect for civil service posts and related expenses for implementing the Low-income Working Family Allowance (LIFA) Scheme as well as the increased salary provision for strengthening the manpower support in handling various student financial assistance schemes.

3 The establishment as at 31 March 2016 will be 1 117 permanent posts. It is expected that there will be an increase of 81 permanent posts in 2016–17. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2016–17, but the notional annual mid-point salary value of all such posts must not exceed \$419,104,000.

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

	2014–15 (Actual) (\$'000)	2015–16 (Original) (\$'000)	2015–16 (Revised) (\$'000)	2016–17 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	208,647	350,411	290,629	393,702
- Allowances.....	2,122	3,083	4,435	5,313
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	1,738	3,034	3,239	4,658
- Civil Service Provident Fund contribution.....	4,070	15,387	7,586	18,021
Departmental Expenses				
- General departmental expenses	128,090	204,063	202,121	265,380
	<u>344,667</u>	<u>575,978</u>	<u>508,010</u>	<u>687,074</u>

5 Provision of \$2,934,000,000 under *Subhead 199 Low-income working family allowance* is for the disbursement of allowances under the LIFA Scheme, which provides a means-tested allowance to eligible low-income working families.

6 Provision of \$4,472,997,000 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, including mainly 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 31.3.2015	Revised estimated expenditure for 2015–16	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	508	Continuing Education Fund	6,200,000	3,886,021	168,653	2,145,326
		Total	<u>6,200,000</u>	<u>3,886,021</u>	<u>168,653</u>	<u>2,145,326</u>