

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 2021–22 **\$7,514.0m**

Establishment ceiling 2021–22 (notional annual mid-point salary value) representing an estimated 1 370 non-directorate posts as at 31 March 2021 reducing by two posts to 1 368 posts as at 31 March 2022..... **\$565.3m**

In addition, there will be an estimated four directorate posts as at 31 March 2021 and as at 31 March 2022.

Commitment balance..... **\$11,829.3m**

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 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

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	2021–22 (Estimate)
Financial provision (\$m)	4,839.8	4,658.8	4,326.1 (-7.1%)	4,881.5 (+12.8%)
				(or +4.8% on 2020–21 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 & 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		
		2019/20 (Actual)	2020/21 (Revised Estimate)	2021/22 (Estimate)
TSFS				
application for financial assistance (%).....	60 days	98.5	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) (%).....				
KCFRS (%).....	21 days	100	99	99
CEF(%) [◇]	2 months	100	100	100
financial assistance for primary and secondary school students (eligibility assessment) (%) [^]	6-8 weeks [◇]	100	100	100
	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 and FAEAEC.

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Indicators

	<i>Academic Year</i>		
	2019/20 (Actual)	2020/21 (Revised Estimate)	2021/22 (Estimate)
TSFS			
no. of applications	22 319	21 740	23 095
funds disbursed (\$m) (including grants and loans).....	910.9	869.1	997.4
no. of applications/post	120	117	124
FASP			
no. of applications	19 290	18 522	18 418
funds disbursed (\$m) (including grants and loans).....	877.6	852.0	921.5
no. of applications/post	115	110	110
NLS			
no. of applications	38 605	37 779	38 521
funds disbursed (\$m) (loans).....	1,574.8	1,506.3	1,670.8
no. of applications/post	150	146	149
KCFRS			
no. of applications	47 487	45 693	45 213
funds disbursed (\$m).....	289.9	294.0	300.4
no. of applications/post	633	609	603
Grant for School-related Expenses for Kindergarten			
Students			
no. of applications	48 766	47 426	46 657
funds disbursed (\$m).....	127.2	127.6	128.6
no. of applications/post	1 573	1 529	1 505
scholarships, merit awards and related schemes			
no. of applications	5 262	5 583	5 313
no. of scholarships, grants and awards granted.....	4 195	4 329	4 206
amount of scholarships, grants and awards disbursed (\$m)	25.8	28.9	29.7
no. of applications/post	310	329	313
CEFA			
no. of applications Ω	8 410	21 579	43 158
no. of claims Ω	20 711	30 114	60 228
funds disbursed (\$m).....	158.7	231.4	462.8
no. of claims/post	207	335	669
financial assistance for primary and secondary school			
students			
no. of family-based applications	170 056	171 385	173 461
no. of applications/post	703	706	714
EFRS			
no. of applications	— γ	— γ	12 944
funds disbursed (\$m).....	0.003 γ	— γ	31.600
SIA			
no. of family-based applications	140 619	141 579	146 882
funds disbursed (\$m).....	164.5	176.6	187.8
STAS			
no. of applications	208 488	210 284	218 249
funds disbursed (\$m).....	846.7	880.7	937.2
STSS			
no. of applications θ	202 188	202 525	209 024
funds disbursed (\$m).....	491.8	493.7	519.9
DYJ@			
no. of applications	5 467	5 904	5 973
funds disbursed (\$m).....	62.3	68.2	69.4
no. of applications/post	1 367	1 476	1 493
FAEAECϕ			
no. of applications	643	638	638
funds disbursed (\$m).....	3.5	3.6	3.6
no. of applications/post	322	319	319

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

Ω 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 2019–20 and 2020–21 Budget by the Finance Committee of the Legislative Council at the meetings on 31 May 2019 and 14 May 2020 respectively, the Government has paid/will pay the examination fees for school candidates sitting for the 2020 and 2021 Hong Kong Diploma of Secondary Education Examination, 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 2019/20 and 2020/21 academic years. Hence, there is no need for needy students to apply for EFRS in the 2019/20 and 2020/21 academic years. A payment of \$3,000 was made in 2019/20 academic year to an applicant who encashed the cheque for 2017/18 EFRS.
- 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 2019/20 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 2019/20 academic year are provisional figures only as reimbursement applications are still being processed.

5 In the 2019/20 academic year, around 761 000 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 2021–22

6 During 2021–22, 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
- regularise three Community Care Fund Programmes for post-secondary students, namely the hostel subsidy, the additional academic expenses (AE) grant for FASP students and the enhanced AE grant for post-secondary students with special educational needs, starting from the 2021/22 academic year.

Programme (2): Working Family Allowance and Individual-based Work Incentive Transport Subsidyβ

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	2021–22 (Estimate)
Financial provision (\$m)	1,924.1	2,416.2	2,206.8 (–8.7%)	2,632.5 (+19.3%)
				(or +9.0% on 2020–21 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.

Matters Requiring Special Attention in 2021–22

9 During 2021–22, the Agency will:

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

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ANALYSIS OF FINANCIAL PROVISION

Programme	2019–20 (Actual) (\$m)	2020–21 (Original) (\$m)	2020–21 (Revised) (\$m)	2021–22 (Estimate) (\$m)
(1) Student Assistance Scheme	4,839.8	4,658.8	4,326.1	4,881.5
(2) Working Family Allowance and Individual-based Work Incentive Transport Subsidy	1,924.1	2,416.2	2,206.8	2,632.5
	6,763.9 ^λ	7,075.0	6,532.9 ^λ (-7.7%)	7,514.0 (+15.0%)
				(or +6.2% on 2020–21 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

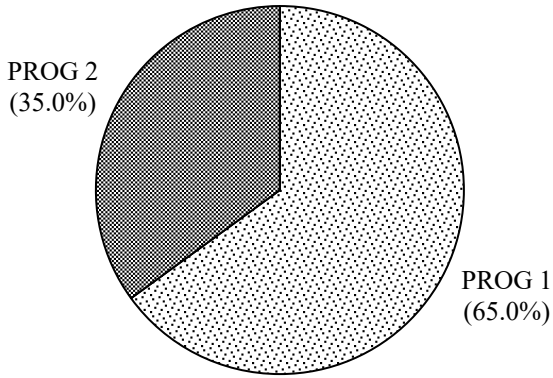
Programme (1)

Provision for 2021–22 is \$555.4 million (12.8%) higher than the revised estimate for 2020–21. This is mainly due to the additional cash flow requirement for student financial assistance and the CEF.

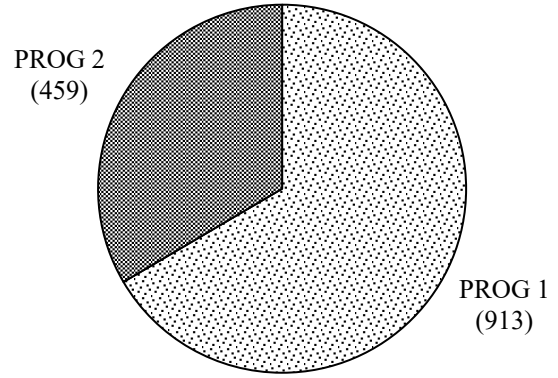
Programme (2)

Provision for 2021–22 is \$425.7 million (19.3%) higher than the revised estimate for 2020–21. This is mainly due to the increase in the amount of disbursement of allowances under the WFA Scheme. There will be a decrease of two posts in 2021–22.

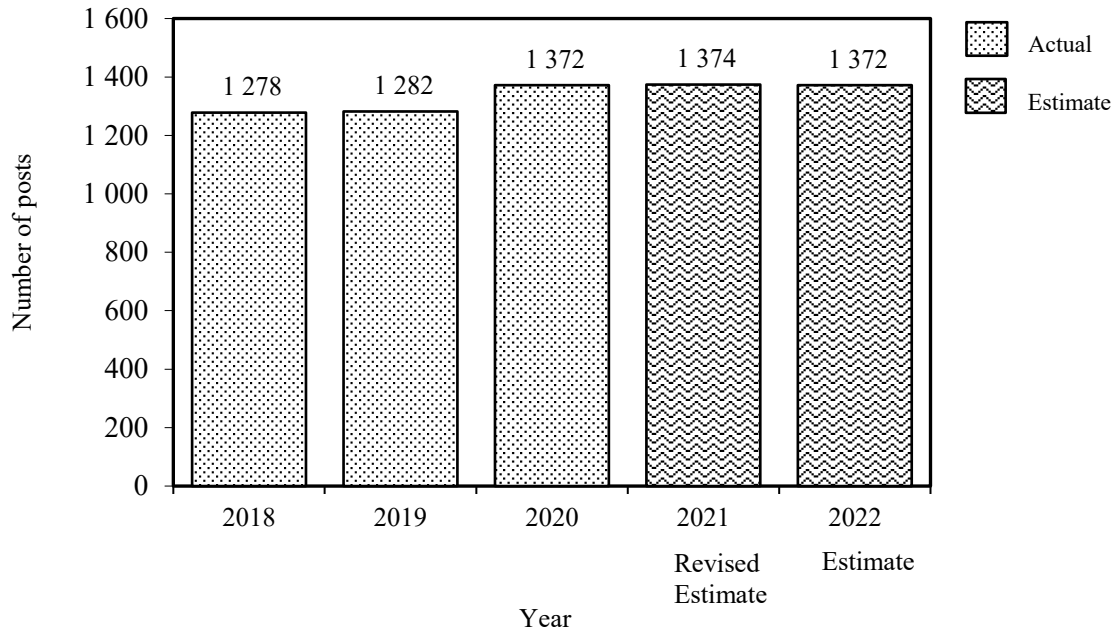
Allocation of provision to programmes (2021-22)



Staff by programme (as at 31 March 2022)



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



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Sub-head (Code)	Actual expenditure 2019–20	Approved estimate 2020–21	Revised estimate 2020–21	Estimate 2021–22	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	831,761	922,358	859,623	969,125
199	Working family allowance.....	1,231,183	1,890,000	1,717,520	1,984,690
228	Student financial assistance	3,453,021	3,648,795	3,518,444	3,797,453
	Total, Recurrent.....	<u>5,515,965</u>	<u>6,461,153</u>	<u>6,095,587</u>	<u>6,751,268</u>
Non-Recurrent					
700	General non-recurrent	12,413,832	613,887	486,418	762,726
	Total, Non-Recurrent.....	<u>12,413,832</u>	<u>613,887</u>	<u>486,418</u>	<u>762,726</u>
	Total, Operating Account	<u>17,929,797</u>	<u>7,075,040</u>	<u>6,582,005</u>	<u>7,513,994</u>
	Total Expenditure	<u><u>17,929,797</u></u>	<u><u>7,075,040</u></u>	<u><u>6,582,005</u></u>	<u><u>7,513,994</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2021–22 for the operating expenses of the Working Family and Student Financial Assistance Agency is \$7,513,994,000. This represents an increase of \$931,989,000 over the revised estimate for 2020–21 and a decrease of \$10,415,803,000 against the actual expenditure in 2019–20.

Operating Account

Recurrent

2 Provision of \$969,125,000 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 \$109,502,000 (12.7%) over the revised estimate for 2020–21 is mainly due to the salary provision for filling of vacancies and the increasing departmental expenses due to continued increase in caseload under the Working Family Allowance (WFA) Scheme.

3 The establishment as at 31 March 2021 will be 1 374 permanent posts. It is expected that there will be a net decrease of two permanent posts in 2021–22. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2021–22, but the notional annual mid-point salary value of all such posts must not exceed \$565,252,000.

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

	2019–20 (Actual) (\$'000)	2020–21 (Original) (\$'000)	2020–21 (Revised) (\$'000)	2021–22 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	512,472	560,439	510,528	568,643
- Allowances	7,952	8,504	7,182	8,052
Personnel Related Expenses				
- Mandatory Provident Fund contribution	2,436	2,701	2,433	2,312
- Civil Service Provident Fund contribution	27,416	36,288	32,079	40,180
Departmental Expenses				
- General departmental expenses	281,485	314,426	307,401	349,938
	831,761	922,358	859,623	969,125

5 Provision of \$1,984,690,000 under *Subhead 199 Working family allowance* is for the disbursement of allowances under the WFA Scheme, which provides a means-tested allowance to eligible low-income working households. There is an increase of \$267,170,000 (15.6%) over the revised estimate for 2020–21 due to the increase in payment rates effective from July 2020.

6 Provision of \$3,797,453,000 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 31.3.2020 \$'000	Revised estimated expenditure for 2020–21 \$'000	Balance \$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
	508	Continuing Education Fund	16,200,000	4,699,729	261,849	11,238,422
	805	Individual-based Work Incentive Transport Subsidy	705,000	119,379	139,519	446,102
	807	One-off support grant for needy students in the 2019/20 School Year	725,000	682,669	21,566	20,765
	811	Additional provision for Individual-based Work Incentive Transport Subsidy recipients 2020	16,000	—	12,945	3,055
	812	Additional provision for Working Family Allowance recipients 2021 [□]	114,000 [□]	—	—	114,000
	813	Additional provision for Individual-based Work Incentive Transport Subsidy recipients 2021 [□]	7,000 [□]	—	—	7,000
		Total	17,767,000	5,501,777	435,879	11,829,344

[□] This is a new item, funding for which is sought in the context of the Appropriation Bill 2021.