

NOTE FOR FINANCE COMMITTEE

Grant Rates under the School Textbook Assistance Scheme

INTRODUCTION

This Note informs Members of the rates of grants under the School Textbook Assistance Scheme (STAS) for the 2006/07 school year.

RATES OF TEXTBOOK AND FLAT RATE GRANTS

2. In accordance with the annual adjustment mechanism approved by the Finance Committee, the Government has promulgated the following rates of textbook grant and flat rate grant for the 2006/07 school year -

Class Level	2005 / 06 school year (\$ maximum rate per student per annum)			2006 / 07 school year (\$ maximum rate per student per annum)		
	Textbook grant	Flat rate grant	Overall grant rate	Textbook grant	Flat rate grant	Overall grant rate
Primary 1 to 6	1,758	366	2,124	1,894	372	2,266
Secondary 1 to 3	2,050	366	2,416	2,148	372	2,520
Secondary 4	2,102	366	2,468	2,246	372	2,618
Secondary 5	1,146	366	1,512	1,308	372	1,680
Secondary 6	1,752	366	2,118	1,718	372	2,090
Secondary 7	576	366	942	628	372	1,000

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3. The STAS provides cash grants to eligible Primary 1 to Secondary 7 students in government schools, aided schools, caput schools and local schools under the Direct Subsidy Scheme. The assistance comprises a textbook grant for purchasing essential textbooks and a flat rate grant to cover miscellaneous school-related expenses. Successful applicants receive full rate grant or half rate grant depending on the outcome of the means test.

4. For the textbook grant, Members have authorised the Administration to revise annually the grant rates, having regard to the average costs of textbooks for the various levels of studies. The grant rates for the 2006/07 school year are based on surveys conducted before start of the school year of the actual costs of textbooks required by sample schools.

5. As regards the flat rate grant, it was introduced with the approval of Members on 26 May 2000, to replace the previous stationery grant under the STAS with effect from the 2000/01 school year. On the same occasion, Members authorised the Administration to approve future revisions of the flat rate grant according to the movement of the Composite Consumer Price Index (CCPI). The CCPI has increased by 1.6% on average between the 12 months ended June 2005 and the 12 months ended June 2006.

6. We undertook to inform Members annually of the revisions of the grant rates under the STAS approved under delegated authority.
