

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 2009/10 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 2009/10 school year -

| Class Level | 2008 / 09 school year (\$ maximum rate per student per annum) | | | 2009 / 10 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 | 2,154 | 394 | 2,548 | 2,032 | 402 | 2,434 |
| Secondary 1 to 3 | 2,386 | 394 | 2,780 | 2,276 | 402 | 2,678 |
| Secondary 4 / Senior Secondary 1 | 2,668 | 394 | 3,062 | 2,454 | 402 | 2,856 |
| Secondary 5 | 1,392 | 394 | 1,786 | 1,276 | 402 | 1,678 |
| Secondary 6 | 1,832 | 394 | 2,226 | 1,592 | 402 | 1,994 |
| Secondary 7 | 626 | 394 | 1,020 | 464 | 402 | 866 |

/BACKGROUND.....

BACKGROUND

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 2009/10 school year are based on the results of the Textbook Expenditure Survey (TES) conducted by the Consumer Council (CC) before the start of the school year on the actual costs of textbooks as required by the sampled schools at various levels of studies for the 2009/10 school year. The differences in the textbook grant rates for the 2009/10 school year at various levels of studies as compared to those in the 2008/09 school year reflect primarily the differences between the average costs of textbooks for the 2008/09 school year from the CC's 2008 TES and those for the 2009/10 school year from the CC's 2009 TES.

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 increased by 2.1% on average between the 12 months ended June 2008 and the 12 months ended June 2009.

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