



中華人民共和國香港特別行政區政府總部教育局
Education Bureau
Government Secretariat, The Government of the Hong Kong Special Administrative Region
The People's Republic of China

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20 May 2011

Legislative Council Panel on Education
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central, Hong Kong
(Attention: Ms Amy YU, Clerk to Panel)

Dear Ms Yu,

**Provision of Supplementary Information for
Item of “Enhancement of assistance provided by the Student Financial Assistance
Agency to needy students”
discussed at the Legislative Council Panel on Education Meeting
on 9 May 2011**

At the request of Members, we have prepared a note setting out the requested supplementary information relating to the item of “Enhancement of assistance provided by the Student Financial Assistance Agency to needy students” discussed at the Legislative Council Panel on Education meeting on 9 May 2011. We would be grateful if you could circulate the information for Members’ information before the item is to be discussed at the Finance Committee meeting on 27 May 2011.

Yours sincerely,

(Ms Esther Leung)
Deputy Secretary for Education

c.c. Controller, Student Financial Assistance Agency

Attachment : Note on supplementary information

Legislative Council Panel on Education Meeting on 9 May 2011

Supplementary information relating to the item on “Enhancement of assistance provided by the Student Financial Assistance Agency to needy students”

(A) Statistics on students receiving means-tested financial assistance and relevant information of overseas countries

In the 2009/10 academic year, more than 360 000 students (more than 33% of the total student population) received means-tested financial assistance from the Student Financial Assistance Agency (SFAA), which amounted to around \$3 billion in means-tested grants and \$500 million in means-tested loans. Amongst the students receiving means-tested financial assistance, more than 30% of them received the full level of assistance under the existing means test mechanism of SFAA. The breakdown by study level is as follows -

Study level	Student population	No. of students receiving assistance from SFAA ^{note} (% of student population)		No. of students receiving <u>full</u> assistance from SFAA ^{note} (% of students receiving assistance)	
		(a)	(b)	(b)/(a)	(c)
Pre-primary	145 857	31 662	(21.71%)	14 177	(44.78%)
Primary and secondary	778 800	282 596	(36.29%)	81 819	(28.95%)
Post-secondary	144 661	48 716	(33.68%)	18 138	(37.23%)
Total	1 069 318	362 974	(33.94%)	114 134	(31.44%)

Note : pre-primary, primary and secondary students receiving special grant for school-related expenses under the Comprehensive Social Security Assistance Scheme of the Social Welfare Department are not included.

We do not have readily available information on the number and percentage of students receiving means-tested financial assistance and the percentage of students receiving “full assistance” in overseas countries, as such information is not publicly available, and not many countries are providing financial assistance to needy students in the form of non-accountable cash subsidy. We have written to relevant agencies in some overseas jurisdictions including Singapore, the United Kingdom and Australia to ask for the relevant statistics. We would provide the relevant information to the Panel once available.

(B) Impact of the implementation of the statutory minimum wage and the Work Incentive Transport Subsidy (WITS) Scheme on the eligibility for student financial assistance

At present, SFAA adopts the Adjusted Family Income (AFI) formula to conduct the income test to help determine the eligibility and the level of assistance of applicants. The formula takes into account the annual family income and the number of family members of the applicant.

When drawing up details on how to relax the AFI thresholds for full level of student financial assistance, we have taken into account a host of relevant considerations, including the equivalent monthly family income limits for full assistance under the existing AFI formula for different family sizes and their respective percentages of the median monthly household income, the distribution of existing beneficiaries by levels of assistance, the need to take care of smaller families having regard to their relative difficulty in deploying resources in times of need, as well as the estimated impact of the statutory minimum wage on the monthly family income.

According to the latest estimates, in the 2011/12 academic year, after we have relaxed the means test of SFAA, the assistance level of around 98 000 students would be raised to full level of assistance, and the percentage share of students receiving full level of assistance would substantially increase from around 30% at present to around 59% of all the beneficiaries. In the case of 3-member and 4-member families, the equivalent family income limits for full level of assistance would be substantially raised from around 40% at present to 67% and 58% of the relevant median household income of the second quarter of 2010 respectively.

We would closely monitor the changes in the median monthly household income levels following the implementation of the statutory minimum wage after relaxation of SFAA's means test has come into effect. We would consider the need for any further changes having regard to the needs of the low-income families for the various types of student financial assistance as well as the financial implications on public resources.

For the purpose of conducting the income test, SFAA would exclude subsidies received by family member(s) under the WITS Scheme when calculating the applicant's family income. WITS Scheme aims at helping employed members of low-income families reduce the burden of home-to-work travelling expenses whilst student financial assistance schemes aim to provide assistance to needy students for pursuing studies. These two schemes serve different purposes and are hence not directly comparable to each other.

Education Bureau
May 2011