

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 2011/12 school year.

RATES OF TEXTBOOK AND FLAT RATE GRANTS

2. In accordance with the annual adjustment mechanism approved by the Finance Committee (FC) and the approval of FC of the one-off increase in the flat rate grant as from the 2011/12 school year on 27 May 2011, the Government has promulgated the following rates of textbook grant and flat rate grant for the 2011/12 school year -

Class Level	2010 / 11 school year (\$ maximum rate per student per annum)			2011 / 12 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	2,092	408	2,500	2,110	1,000	3,110
Secondary 1 to 3	2,426	408	2,834	2,360	1,000	3,360
Senior Secondary 1	2,604	408	3,012	2,472	1,000	3,472
Senior Secondary 2	2,136	408	2,544	2,126	1,000	3,126
Secondary 6 / Senior Secondary 3	1,690	408	2,098	964	1,000	1,964
Secondary 7	434	408	842	418	1,000	1,418

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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, FC has 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 2011/12 school year are based on the results of the 2011 Textbook Expenditure Survey (TES) conducted by the Consumer Council (CC) before the start of the school year on the average actual costs of textbooks as required by the sampled schools at various levels of studies for the 2011/12 school year. The differences in the textbook grant rates for the 2011/12 school year at various levels of studies as compared to those in the 2010/11 school year reflect primarily the differences between the average costs of textbooks for the 2011/12 school year from the CC's 2011 TES and those for the 2010/11 school year from the CC's 2010 TES.

5. As regards the flat rate grant, it was introduced with the approval of FC on 26 May 2000, to replace the previous stationery grant under the STAS with effect from the 2000/01 school year. To provide greater support for needy students to meet school-related expenses, the Chief Executive announced in the 2010-11 Policy Address the proposal to increase the flat rate grant from \$408 to \$1,000 per student per year for full-grant students and from \$204 to \$500 per student per year for half-grant students with effect from the 2011/12 school year. This proposal was approved by FC on 27 May 2011 for implementation from the 2011/12 school year. The flat rate grant will continue to be revised annually thereafter according to the movement of the Composite Consumer Price Index as authorised by FC.

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