

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 2014/15 school year.

RATES OF TEXTBOOK AND FLAT RATE GRANTS

2. In accordance with the annual adjustment mechanism approved by the Finance Committee (FC) and following the increase in the amount of flat rate grant under the STAS in addition to the annual adjustment in the 2014/15 school year (see paragraph 5 below), the Government has revised the rates of textbook grant and flat rate grant for the 2014/15 school year as follows –

Class Level	2013/14 school year (\$ maximum rate per student per annum)			2014/15 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	2,400	1,094	3,494	2,386	2,142	4,528
Secondary 1 to 3	2,778	1,094	3,872	2,680	2,142	4,822
Senior Secondary 1	3,100	1,094	4,194	2,904	2,142	5,046
Senior Secondary 2	2,548	1,094	3,642	2,490	2,142	4,632
Senior Secondary 3	956	1,094	2,050	996	2,142	3,138

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3. The STAS provides cash grants to eligible Primary 1 to Senior Secondary 3 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 2014/15 school year are based on the results of the 2014 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 2014/15 school year. The differences in the textbook grant rates for the 2014/15 school year at various levels of studies as compared to those in the 2013/14 school year reflect primarily the differences between the average costs of textbooks for the 2014/15 school year from the CC's 2014 TES and those for the 2013/14 school year from the CC's 2013 TES.

5. As regards the flat rate grant, it was introduced with the approval of FC on 26 May 2000 with effect from the 2000/01 school year. To provide greater support for needy students to meet school-related expenses, with the approval of FC vide FCR(2011-12)16 on 27 May 2011, the flat rate grant was increased to \$1,000 per student per year (pspy) for full-grant students and \$500 pspy for half-grant students in the 2011/12 school year. The flat rate grant continued to be revised annually thereafter according to the movement of the Composite Consumer Price Index (CCPI) as authorised by FC. To continue enhancing the support for low-income families in meeting school-related expenses of their children, the previous assistance programme under the Community Care Fund which offered an enhanced flat rate grant under the STAS for needy primary and secondary students in the 2013/14 school year has been incorporated into the Government's regular assistance programme starting from the 2014/15 school year^{Note}. In the 2014/15 school year, full-grant primary and secondary students are provided with an additional amount of \$1,000 per student while half-grant students are provided an additional amount of \$500 per student, on top of the existing flat-rate grant which is adjusted annually in accordance with the movement of CCPI.

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^{Note} As announced in the 2014 Policy Address and provision for regularisation has been earmarked in the 2014-15 Estimates.

6. The CCPI increased by 4.3% on average between June 2013 and June 2014. Taking into account this adjustment and the regularisation of the enhanced flat rate grant, the flat rate grant for each full-grant and half-grant student has been increased from \$1,094 and \$547 in the 2013/14 school year to \$2,142 and \$1,071 respectively in the 2014/15 school year. The flat rate grant will continue to be revised annually thereafter according to the movement of the CCPI as authorised by FC.

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

Education Bureau
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