

NOTE FOR FINANCE COMMITTEE

Grant Rates under the School Textbook Assistance Scheme

PURPOSE

This paper informs Members of the rates of grants under the School Textbook Assistance Scheme (STAS) for the 2018/19 school year.

RATES OF TEXTBOOK GRANT AND FLAT RATE GRANT

2. In accordance with the annual adjustment mechanism approved by the Finance Committee (FC), the Government has revised the rates of textbook grant and flat rate grant for the 2018/19 school year as follows –

Class Level	2017/18 school year (\$ maximum rate per student per annum)			2018/19 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	2,730	2,332	5,062	2,730	2,380	5,110
Secondary 1 to 3	2,942	2,332	5,274	3,084	2,380	5,464
Senior Secondary 1	3,274	2,332	5,606	3,380	2,380	5,760
Senior Secondary 2	2,678	2,332	5,010	2,796	2,380	5,176
Senior Secondary 3	934	2,332	3,266	988	2,380	3,368

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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 a full rate grant or a half rate grant, depending on the outcome of a means test.

4. For the textbook grant, FC has authorised the Government 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 2018/19 school year are based on the results of the 2018 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 2018/19 school year. The differences in the textbook grant rates for the 2018/19 school year at various levels of studies as compared to those in the 2017/18 school year reflect primarily the differences between the average costs of textbooks for the 2018/19 school year reflected in CC's 2018 TES and those for the 2017/18 school year in CC's 2017 TES.

5. As regards the flat rate grant, FC has authorised the Government to revise it annually according to the movement of the Composite Consumer Price Index (CCPI). The CCPI increased by 2.0% on average between June 2017 and June 2018. Taking into account the movement of the CCPI, the flat rate grant for each full-grant and half-grant student has been increased from \$2,332 and \$1,166 in the 2017/18 school year to \$2,380 and \$1,190 respectively in the 2018/19 school year. The flat rate grant will continue to be revised annually thereafter according to the movement of the CCPI as authorised by FC.

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