

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 2020/21 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 2020/21 school year as follows –

Class Level	2019/20 school year (\$ maximum rate per student per annum)			2020/21 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	2,848	2,442	5,290	2,988	2,502	5,490
Secondary 1 to 3	3,012	2,442	5,454	3,078	2,502	5,580
Secondary 4	3,356	2,442	5,798	3,396	2,502	5,898
Secondary 5	2,842	2,442	5,284	2,842	2,502	5,344
Secondary 6	896	2,442	3,338	900	2,502	3,402

/BACKGROUND

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3. The STAS provides cash grants to eligible Primary 1 to Secondary 6 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 2020/21 school year are based on the results of the 2020 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 2020/21 school year. The differences in the textbook grant rates for the 2020/21 school year at various levels of studies as compared to those in the 2019/20 school year reflect primarily the differences between the average costs of textbooks for the 2020/21 school year reflected in CC's 2020 TES and those for the 2019/20 school year in CC's 2019 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 2.4% on average between June 2019 and June 2020. Taking into account the movement of the CCPI, the flat rate grant for each full-grant and half-grant student has been increased from \$2,442 and \$1,221 in the 2019/20 school year to \$2,502 and \$1,251 respectively in the 2020/21 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.