

**For discussion
on 11 April 2011**

Legislative Council Panel on Education

Review of the Examination Fee Remission Scheme

Purpose

This paper seeks Members' views on the proposed improvements to the Examination Fee Remission Scheme (EFRS) administered by the Student Financial Assistance Agency (SFAA).

The Existing EFRS

2. The existing EFRS provides remission of examination fees for eligible students sitting for the Hong Kong Certificate of Education Examination (HKCEE), the last of which was held in 2010 for school candidates, and the Hong Kong Advanced Level Examination (HKALE)¹. It is a means-tested financial assistance scheme, and examination fee waiver is provided to students who sit for either of the above examinations and who are assessed to be eligible for full level of assistance by SFAA after the means test. To be eligible for fee remission under EFRS, the student must -

- (a) sit for either HKCEE or HKALE for the first time²;
- (b) be a full-time Secondary 5 or Secondary 7 student as confirmed by the attending school³; and
- (c) be assessed to be eligible for full level of assistance by SFAA⁴.

3. Students have to apply to the Hong Kong Examinations and Assessment Authority (HKEAA) for EFRS through the attending school.

¹ The last HKALE for school candidates will be held in 2012.

² A student taking more than one of the examinations in the same year is only entitled to fee remission under EFRS for one of the examinations only.

³ Students sitting for HKCEE / HKALE as private candidates are not eligible for fee remission under EFRS.

⁴ In exceptional cases, a student who has been recommended for full assistance under the School Textbook Assistance Scheme by the attending school may also be granted waiver of examination fees under the discretionary arrangement.

Each September, the HKEAA will issue circulars to schools inviting students sitting for HKCEE or HKALE to apply for EFRS. HKEAA will check with SFAA the eligibility of the applicants, so that eligible students would not need to pay the examination fees at the time of registration for HKCEE or HKALE. SFAA will arrange for payment of the examination fees to HKEAA direct on behalf of the students concerned.

4. With the implementation of the New Academic Structure (NAS) for senior secondary education from the 2009/10 school year, the Hong Kong Diploma of Secondary Education Examination (HKDSEE) will replace HKCEE and HKALE, and it will be held for the first time in the 2011/12 school year. It is necessary to revise the ambit of EFRS so that it would provide support for needy students sitting for HKDSEE from the 2011/12 school year. We also propose to take the opportunity to introduce improvements to EFRS so as to provide enhanced support for needy students.

Proposed Changes and Improvements to EFRS

(i) EFRS to cover needy students sitting for HKDSEE

5. The existing EFRS provides fee remission to needy school students sitting for HKCEE and HKALE. The first HKDSEE will be held in the 2011/12 school year, with a view to totally replacing HKCEE and HKALE from the 2012/13 school year⁵. We propose that EFRS should provide fee remission to eligible school students sitting for HKDSEE⁶ from the 2011/12 school year.

(ii) Extension of EFRS to needy students eligible for half level of assistance

6. Under the existing EFRS, only students assessed to be eligible for full level of assistance according to the means test result of SFAA are eligible for exemption of examination fees. Students eligible for half level of assistance are not eligible for any fee remission. On the other hand, other financial assistance schemes for primary and secondary school students, i.e. the School Textbook Assistance Scheme, the Student Travel Subsidy Scheme and the Subsidy Scheme for Internet Access Charges, offer both full and half levels of assistance.

⁵ HKALE will be last held in the 2012/13 school year for private candidates.

⁶ Eligible school candidates include needy Senior Secondary 3 full-time day school students sitting for HKDSEE to be held from the 2011/12 school year, and needy adult learners attending Secondary 6/Senior Secondary 3 evening courses in designated centres that are quality-assured and commissioned by the Education Bureau and sitting for HKDSEE as school candidates.

7. From the 2012/13 school year, HKDSEE will be the only examination to be taken upon completion of senior secondary education. A typical student under the NAS will take six or seven subjects for HKDSEE. To provide enhanced support for students from low-income families on a par with other financial assistance schemes for primary and secondary school students, we propose that the scope of EFRS be widened to provide examination fee remission to needy school students sitting for HKDSEE who are eligible for full or half assistance after the means test of SFAA from the 2011/12 school year. We further propose that eligible school students who sit for HKALE⁷ in 2012 and are assessed to be eligible for full or half assistance after the means test of SFAA should be eligible for receiving full or half examination fee remission under EFRS respectively.

(iii) Remission of examination fee for the second examination entry

8. At present, candidates who have been granted examination fee remission under EFRS for an examination entry will not be eligible for examination fee remission under EFRS again if he or she is sitting for the same examination for the second time, i.e. the second examination entry. As HKDSEE will be the only examination to be taken upon completion of senior secondary education from the 2012/13 school year, we propose to extend examination fee remission to needy first-time repeaters of HKDSEE, provided that they are school candidates in the first examination entry⁸ (regardless of whether they receive examination fee remission in that entry) and sit for HKDSEE for the second time as school candidates in the immediate following examination year. Needy HKDSEE repeaters meeting the afore-mentioned criteria would be eligible for examination fee remission under EFRS from the 2012/13 school year onwards. We further propose that students sitting for HKALE for the second time as school candidates in 2012 should also be eligible for full or half examination fee remission under EFRS, provided that they meet the above criteria.

⁷ Eligible school candidates include needy Secondary 7 full-time day school students sitting for HKALE, and needy adult learners attending Secondary 7 evening courses in designated centres that are quality-assured and commissioned by the Education Bureau and sitting for HKALE as school candidates.

⁸ Under HKCEE or HKALE, students normally take all the subjects in one examination entry. Under HKDSEE, whilst the examinations of the 24 core and elective subjects will take place in March to May each year and the internal assessment of Applied Learning subjects would also be completed by then, the examinations of the six Other Language subjects will take place in June and/or November of the preceding year to tie in with the timetable of Cambridge International Examinations. Examinations taken in March to June and November of the preceding year under HKDSEE will be considered to be taken in the same examination year and therefore counted altogether as one examination entry for the purpose of examination fee remission under EFRS.

- (iv) EFRS to be extended to cover needy non-Chinese-speaking (NCS) students sitting for GCSE (Chinese) Examination

9. The Government's prevailing policy is to facilitate the early integration of NCS students into the local education system. Starting from 2007, the Government has been providing an avenue for students who have had a late start in learning the Chinese Language or have not been given full opportunities to learn the local Chinese Language curriculum to attain an alternative qualification in Chinese Language through taking the General Certificate of Secondary Education (GCSE) (Chinese) Examination so as to address the aspirations for higher education under the local curriculum⁹ and for career development of NCS students. As GCSE (Chinese) Examination is an overseas examination, it is not covered under EFRS but the examination fee is relatively high. As the number of NCS students sitting for the GCSE (Chinese) Examination has increased significantly, the Education Bureau (EDB) sees the need to alleviate the financial burden of NCS students taking this examination, and has started subsidising the eligible NCS students¹⁰ to take GCSE (Chinese) Examination since the 2010 sitting¹¹.

10. At present, EFRS does not provide assistance to help needy NCS students pay for the subsidised examination fee of GCSE (Chinese) Examination. According to our projections, the estimated number of NCS students eligible for the subsidised examination fee is about 500 for the 2012 sitting. To ensure that eligible NCS students in need would not be deprived of the opportunity to sit for the examination to obtain an alternative qualification in Chinese Language for pursuing higher education, we propose that the ambit of EFRS be extended to cover GCSE (Chinese) Examination from the 2011/12 school year. An NCS student will be eligible to receive full or half fee remission of the examination fee payable for taking GCSE (Chinese) Examination if he/she passes the means test of SFAA, and should have learned Chinese Language for either -

⁹ Starting from 2008, the University Grants Committee-funded institutions have provided flexibility for acceptance of alternative Chinese Language qualification(s) including the result of GCSE (Chinese) Examination for applications under specified circumstances as set out in paragraph 10 below under the Joint University Programmes Admissions System.

¹⁰ Specifically, these NCS students are those who -

- (a) have learned Chinese Language for less than six years while receiving primary and secondary education; or
- (b) have learned Chinese Language for six years or more in schools, but have been taught an adapted and simpler curriculum not normally applicable to the majority of students in local schools.

¹¹ Starting from 2010, eligible school candidates sitting for GCSE (Chinese) Examination are charged by HKEAA an examination fee level on par with HKCEE (Chinese) or the future HKDSEE (Chinese). In turn, EDB provides subsidy for HKEAA for organising GCSE (Chinese) Examination.

- (a) less than six years while receiving primary and secondary education; or
- (b) six years or more in schools, but has been taught an adapted and simpler curriculum not normally applicable to the majority of students in local schools,

as certified by the last attending school.

A needy eligible NCS student may receive examination fee remission in respect of GCSE (Chinese) Examination taken either in place of or in addition to the HKDSEE (Chinese) Examination in a school year, and will be eligible for fee remission for his/her second examination entry of GCSE (Chinese) Examination to be taken in the immediate following year as a school candidate.

Number of Beneficiaries

11. We estimate that in the 2011/12 school year, there would be around 76 100 school candidates for HKDSEE and 32 200 school candidates (including around 600 eligible second-attempters) for HKALE. We estimate that following the above improvement measures detailed in paragraphs 5 to 10 above and taking into account the proposed relaxation of the income threshold for full level of assistance under the existing means test mechanism of SFAA as announced in the 2011-12 Budget, around 21 600 candidates (14 700 for HKDSEE, 6 800 for HKALE and 100 for GCSE (Chinese) Examination) and around 18 500 candidates (12 700 for HKDSEE, 5 700 for HKALE and 100 for GCSE (Chinese) Examination) would be able to receive full and half examination fee remission in the 2011/12 school year respectively.

Financial Implications

12. The actual disbursement under EFRS was in the region of \$15 million each year between 2007/08 and 2009/10 school years. Following the implementation of the above improvement measures detailed in paragraphs 5 to 10 above in the 2011/12 school year and taking into account the proposed relaxation of the income threshold for full level of assistance under the existing means test mechanism of SFAA as announced in the 2011-12 Budget, the disbursement of EFRS is expected to increase to around \$80 million in the double-cohort year of the 2011/12 school year, when the last HKALE for school candidates and the first HKDSEE are to be held. The disbursement under EFRS is expected to decline gradually in subsequent years after the double-cohort year and due to estimated decrease in student population. The

estimates are as follows -

Financial Year	2011-12	2012-13	2013-14	2014-15	2015-16
Disbursement under EFRS (\$ million)	79.5 (double- cohort year)	66.6	63.7	60.1	55.2

Implementation Timetable

13. We aim to implement the improvement measures to EFRS from the 2011/12 school year. HKEAA would invite applications for the 2011/12 HKDSEE (examinations of Other Language subjects to be held in November 2011) in June 2011. Subject to Members' views and funding approval of the Finance Committee (FC), we will brief the schools and candidates on the details of the improved EFRS in May 2011.

Advice Sought

14. Subject to Members' views, we would seek funding approval from FC in May 2011 so that the proposed changes and improvements to EFRS as detailed in paragraphs 5 to 10 above can be implemented from the 2011/12 school year.

Education Bureau
Student Financial Assistance Agency
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