

Tertiary students have been given more financial assistance by the government. **Sam Mok** examines how far this increase will go in solving the students' problems.

LOCAL tertiary students will get a little more assistance from the government beginning in the next academic year.

That will not effectively raise the students' quality of life but for certain financially distressed students it is a consolation in the face of higher tuition fees.

In September, the annual tuition fee that a student will have to pay will exceed \$30,000, rising to \$41,710 by 1997/98.

Back in 1991/92 the fee was only \$10,000.

More students are becoming caught up in financial troubles because of increased fees.

Thus there's an urgent need to widen the protection net to rescue students who are not yet covered by the financial assistance scheme.

On 6 December the financial committee of the Legislative Council agreed to make several improvements to the Local Student Finance Scheme (LSFS).

The LSFS provides grants and/or loans to needy students. The grants are intended to cover tuition fees, academic expenses and student union fees. The maximum grant varies depending on the course of studies pursued.

The loans are intended to help students with their living and personal expenses.

Changes

The financial assistance payable in each case is determined by financial circumstances and the size of the student's family, as measured by the annual disposable income (ADI) and course fees. Applicants who possess family assets in excess of a set limit get reduced assistance.

The reform package approved by the financial committee contains three main sets of changes.

First, in calculating family assets, the assets of the applicant's siblings will be excluded; the accommodation expenses of the applicant's siblings and grandparents will be deducted from the ADI; and expenses on overseas compulsory field trips will be included.

The Student Financial Assistance Agency, which administers the LSFS, expects the changes will result in \$26.6 million extra in grants to students in 1995/96.

Aid for students still falls short

Second, the ceiling of discretionary loans given to disabled students or students in particular circumstances will be raised from \$2,500 to \$14,275, which will be 18 per cent of the operation cost of a degree curriculum.

Third, a new scheme called Extended Loan Scheme (ELS) will be set up to help applicants who fail the means test and successful applicants with a low level of financial assistance. The ELS will lend up to \$15,000 at an annual interest rate of 4 per cent to applicants who fail marginally under current criteria. It is expected that \$41.7 million in ELS will be lent out in 1995/96.

Under the current scheme, the loan for living expenses can be as high as \$28,550, lent at the annual interest rate of 2.5 per cent.

The repayment of ELS loans will be the same as the one

used currently — 20 quarterly instalments spread over a five-year repayment period starting in the January after the applicant's graduation.

According to the government, most debtors are able to repay their loans. In January 1995, only 181 out of 46,000 loan account holders failed to pay two or more consecutive instalments.

If the students are unemployed, sick or go on further studies, they can apply for deferral.

Hong Kong University (HKU) Student Affairs officer Magdalene Chan said: "The university welcomes the changes. Because of the tuition fee inflation, there has been a big jump in the number of applicants for government assistance in the HKU."

For past years, although the tuition fee has been drastically increased recently, the

grant and loan scheme has been able to keep pace with it, partly because of the student expenditure survey done a couple of years ago, Mrs Chan said.

"The most vulnerable group under the existing scheme is those who have siblings attending tertiary institutes and those who live out of their homes," she said.

The LSFS is criticised for other limitations. Mrs Chan pointed out that students should be given money to buy computers and though the expenses for overseas field trips will be counted as academic expenses, students do not know how much will be needed for the trips when they apply for the government finance at the start of term.

Moreover, the LSFS is late in delivering money to successful applicants. "We hope for sooner dispensation of

funds. Usually the money arrives four months after terms start. That places a big burden on students," student affairs officer Esther Yu of the City University said.

LSFS often disappoints applicants whose families suffer sudden changes in financial standing. The LSFS uses the financial status of the previous year for calculation.

Because the government scheme is rigid and slow to respond, tertiary institutes usually have their own funding for students' particular needs.

For example, more than two thousands HKU students applied for the university funding last year but only half of them got help.

The government has been pressured to decentralise the student finance scheme so that individual institutes can look after particular cases.

Students see the improvements of the LSFS with cold comfort.

Secretary-general of the Federation of Students Mong Siu-tat said their financial situation has been worsening since the government increased tuition fees.

He said: "Many of us have to take up extra part-time jobs and summer jobs to make ends meet. Some of us have to apply for credit cards and then overdrafts to pay the fee."

Mr Mong argued that the LSFS has not been able to keep pace with inflationary tuition fees.

"The policy of pegging tuition fees to the cost of a student's education is wrong," he said. "And regrettably, the LSFS is inadequate and unfair in many aspects. For example, the scheme counts a family's real property as an asset but if a flat is for their use only and thus is unable to generate income, it is unfair to count it."

Legislative Council educational sector representative Cheung Man-kwong is of the same opinion: "We, the council, have voted for the government to change its policy on tertiary institute tuition fees. The LSFS should be viewed only as a remedial measure. Although we welcome the improvements on the LSFS, it is not the fundamental solution to the problem of student finance."

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