

立法會 *Legislative Council*

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Panel on Education

Background brief prepared by the Legislative Council Secretariat for the meeting on 12 June 2006

Senior secondary school fees

Purpose

This paper summarises the discussions of the Panel on Education on senior secondary school fees.

Background

2. Under the prevailing policy of determining school fees for senior secondary places in aided and government secondary schools, the target is to recover 18% of the total recurrent cost incurred for the provision of senior secondary education. School fees are revised on a school year basis.

3. Senior secondary school fees had been frozen at the levels of the 1997-98 school year until the 2004-05 school year. In 2004-05, the school fee for Secondary 4 (S4) and S5 was \$5,050, and that for S6 and S7 was \$8,750. In June 2005, the Administration proposed to revive from the 2005-06 school year the annual review and revision of school fees to achieve by phases the cost recovery rate of 18%.

Deliberations of the Panel

Relevant meetings

4. The Panel had discussed senior secondary school fees in the following context:
- (a) review of education resources in tackling fiscal deficits;
 - (b) proposal to reform the academic structure for senior secondary education and higher education; and
 - (c) proposal to increase senior secondary school fees in the 2005-06 school year.

5. The deliberations of the Panel are summarised in the following paragraphs.

Review of education resources

6. At the policy briefing by the Secretary for Education and Manpower on the Chief Executive's Policy Address 2003 on 13 January 2003, some members had expressed concern about the impact of the Administration's target to reduce \$20 billion in the operating accounts by 2006-07. These members were concerned about a possible cut in education resources and a consequent increase in senior secondary school fees. They urged the Administration to consider the importance of education in the future development of Hong Kong and the financial impact of increasing school fees on parents. The Administration was requested to consult the community, including the Legislative Council, before making any decision to increase school fees.

7. In response, the Administration reiterated the assurance of the Chief Executive that investment in education would remain the Government's priority, despite the need to tackle fiscal deficits. The Administration pointed out that all bureaux, including the Education and Manpower Bureau, were required to review their respective initiatives and policies to see if there was room for savings or a need for more resources. A holistic review of the expenditure items in education would be conducted. Whether education resources would be reduced would be decided after the review. The Administration undertook to consult the relevant parties should a proposal be made to increase school fees.

Proposed reform to the academic structure for senior secondary education and higher education

8. In its two Consultation Documents respectively entitled "Reforming the Academic Structure for Senior Secondary Education and Higher Education – Action for Investing in the Future" and "The New Academic Structure for Senior Secondary Education and Higher Education – Action Plan for Investing in the Future of Hong Kong", the Administration stated that the current policy of setting 18% of recurrent cost for senior secondary school fees was independent of the decision to move to the new three-year senior secondary programme. The Administration would bring the senior secondary school fees back to 18% of recurrent cost at a measured pace, tentatively over a period of four years with an annual increase by 5%, starting from the 2005-06 school year.

9. The Panel discussed the two Consultation Documents at its meetings on 29 October 2004 and 3 June 2005. Some members expressed concern about the proposal to gradually increase the tuition fees to the 18% cost recovery rate. These members were of the view that the proposed increases were mainly due to the expected increase in student unit cost arising from the implementation of the new academic structure. They asked for the justifications for the increases and a schedule of the proposed increases.

10. The Administration explained that the senior secondary school fees had been frozen since 1997-98 at \$5,050 per annum for S4 and S5, and \$8,750 for S6 and S7, which were about 15% of the student unit cost. Given the 18% cost recovery policy, the Administration considered that an increase in the student unit cost arising from the implementation of the new academic structure would justify an increase in tuition fees for senior secondary education. For the 2004-05 school year, the estimated annual recurrent costs for a S4/S5 place and a S6/S7 place were \$33,540 and \$58,650 respectively, and the annual tuition fees for S4/S5 and S6/S7 were \$5,050 and \$8,750 respectively, or about \$6,000 on a weighted average basis. The recommended increase of the weighted average fee from the current \$6,000 to about \$7,200 at current prices would mean that while the tuition fee for S4 and S5 would increase, the tuition fee for S6 might decrease in the 2009-10 school year. The Administration had no concrete timetable for increasing the tuition fees for senior secondary education. The Administration would inform the Panel should a decision be made on the matter.

11. Some members were concerned that the proposed shared funding model for implementing the new academic structure would add substantial financial burden to low income families. They called on the Administration to consider the impact of the proposed increases in tuition fees on students whose family incomes were marginally above the eligibility criteria for the existing fee remission schemes. They also requested the Administration to review the various financial assistance schemes for needy families on an on-going basis.

12. The Administration considered it reasonable for financially capable parents to share part of the costs incurred for the implementation of the new academic structure. As regards the financial difficulties of needy parents and students, the Administration responded that it would consider ways to improve the student financial assistance schemes, such as extending the repayment period. The Administration would consider the views collected during the consultation.

13. When the Panel discussed the consultation document entitled “Action for the Future – Further Consultation on Career-oriented Studies and the New Senior Secondary Academic Structure for Special Schools” at the meeting on 13 February 2006, a member questioned whether tuition fees in special schools would be increased under the new academic structure.

14. The Administration explained the current policy under which senior secondary students in ordinary or special schools would pay the same level of school fees at 18% of the total unit cost of secondary education. In computing the average unit cost, the costs of both ordinary and special schools would be aggregated. Students in ordinary or special schools at the same level of study would therefore pay the same level of school fees. The Administration said that the school fees for senior secondary education would be worked out nearer the implementation of the new academic structure. The total unit cost would take account of all the investment in the new senior secondary education, including that in special schools.

Proposed increase of school fees in the 2005-06 school year

15. On 11 July 2005, the Panel discussed the Administration's proposal to increase the school fees from \$5,050 to \$5,320 for S4 and S5, and from \$8,750 to \$9,100 for S6 and S7 in the 2005-06 school year.

16. Some members requested the Administration to set out a timetable for the progressive increase of senior secondary school fees to the 18% cost recovery rate for public consultation. They also requested the Administration to consult the community on any further increase of senior secondary school fees after the implementation of the new academic structure.

17. The Administration considered it more appropriate to propose the increase of senior secondary school fees for the 2005-06 school year first, as the economic conditions might change each year. The Administration would propose the increase for subsequent years in the light of changing circumstances, including the unit cost estimate and the affordability of parents.

18. Members considered it important that no students would be denied access to senior secondary education due to a lack of means. They reiterated their call for a review of the various financial assistance schemes.

19. The Administration assured members that no one would be deprived of the opportunity to study due to a lack of means. The Administration would continue to provide financial assistance to needy students. The Administration was reviewing the student financial assistance schemes, including the assistance level and the loan and repayment arrangements, and would revert to the Panel in the following legislative session.

Relevant papers

20. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

**Relevant papers on
senior secondary school fees**

| Date of meeting | Meeting | Minutes/Paper | LC Paper No. |
|------------------------|-----------------|--|--|
| 13.1.2003 | Education Panel | Minutes of meeting | CB(2)1127/02-03 |
| 29.10.2004 | Education Panel | Minutes of meeting | CB(2)350/04-05 |
| 3.6.2005 | Education Panel | Minutes of meeting | CB(2)2583/04-05 |
| | | Consultation report on the New Academic Structure for Senior Secondary Education and Higher Education - Action plan for investing in the future of Hong Kong | Consultation report on the New Academic Structure for Senior Secondary Education and Higher Education - Action plan for investing in the future of Hong Kong |
| 11.7.2005 | Education Panel | Minutes of meeting | CB(2)110/05-06 |
| | | The Administration's paper entitled "Revision of Senior Secondary School Fees" | CB(2)1924/04-05(01) |
| 13.2.2006 | Education Panel | Minutes of meeting | CB(2)1456/05-06 |
| | | Consultation document entitled "Action for the Future - Further Consultation on Career-oriented Studies and the New Senior Secondary Academic Structure for Special Schools" | Consultation document entitled "Action for the Future - Further Consultation on Career-oriented Studies and the New Senior Secondary Academic Structure for Special Schools" |