

For information

Legislative Council Panel on Education
Revision of Senior Secondary School Fees

PURPOSE

This paper is to inform Members that school fees will increase from \$5,320 to \$5,670 for Secondary 4 and 5, and from \$9,100 to \$9,450 for Secondary 6 and 7 in the 2006/07 school year, i.e. an increase of \$350 per annum.

BACKGROUND

2. Under the prevailing policy of school fees for the senior secondary places in aided and government secondary schools, the target is to achieve a cost recovery rate of 18% of the recurrent cost and school fees are revised on a school year basis. The cost recovery rate now is 15.8% for Secondary 4 and 5 and 15.5% for Secondary 6 and 7.

THE PROPOSAL

3. We propose to revise the school fees for the senior secondary levels in the 2006/07 school year as follows:

	Existing school fee per student per annum in the 2005/06 school year	Existing cost recovery rate in the 2005/06 school year	Proposed school fee per student per annum in the 2006/07 school year	Increase in school fee in the 2006/07 school year	Proposed cost recovery rate in the 2006/07 school year
	\$ (a)	%	\$ (b)	\$ (c)=(b)-(a)	%
Secondary 4 and 5	5,320	15.8	5,670	350	16.2
Secondary 6 and 7	9,100	15.5	9,450	350	16.0

JUSTIFICATION

4. To achieve the target recovery rate of 18% in a gradual and smooth manner, we have adopted a phased approach to increasing the school fees. In the 2006/07 school year, the unit cost⁽¹⁾ is estimated to be about \$35,000 for Secondary 4 and 5 and about \$59,000 for Secondary 6 and 7. We propose to increase the school fees from \$5,320 to \$5,670 by \$350 per annum (achieving a recovery rate of 16.2%) for Secondary 4 and 5 and from \$9,100 to \$9,450 by \$350 per annum (achieving a recovery rate of 16.0%) for Secondary 6 and 7.

5. In the 2006/07 school year, the increase in the unit costs is mainly due to salary increment for staff and improved provision, such as additional funding for teacher development and capacity enhancement.

6. It is the stated policy of the Government that no student would be deprived of education due to lack of means. Needy students may apply for financial assistance under the existing fee remission scheme administered by the Student Financial Assistance Agency.

(1) The above cost figures do not include the expenditures for capital works that are fully funded by the Government.

FINANCIAL IMPLICATION

7. Assuming that the enrolment at the senior secondary classes in aided and government secondary schools and the number of students receiving assistance under the fee remission scheme would remain at the level of the 2005/06 school year, additional revenue from the proposed fee increase would amount to about \$51 million per annum.

PUBLIC REACTION

8. We have sounded out parents and the public on the proposal in April. As the proposed increase is mild and no students will be deprived of education due to lack of means, there was general acceptance among parents and the public.

ADVICE SOUGHT

9. Members are invited to note the proposal in paragraph 3.

Education and Manpower Bureau
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