

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 \$5,670 to \$6,020 for Secondary 4 and 5, and from \$9,450 to \$9,870 for Secondary 6 and 7 in the 2007/08 school year, i.e. an increase of \$350 and \$420 per annum respectively.

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 of the existing school fees is 16.2% for Secondary 4 and 5 and 16% for Secondary 6 and 7.

PROPOSAL

3. We propose to revise the school fees for the senior secondary levels in the 2007/08 school year as follows:

	Existing school fee per student per annum in the 2006/07 school year	Existing cost recovery rate in the 2006/07 school year	Proposed school fee per student per annum in the 2007/08 school year	Increase in school fee in the 2007/08 school year	Proposed cost recovery rate in the 2007/08 school year
	\$	%	\$	\$	%
	(a)		(b)	(c)=(b)-(a)	
Secondary 4 and 5	5,670	16.2	6,020	350	17.2
Secondary 6 and 7	9,450	16.0	9,870	420	16.6

JUSTIFICATIONS

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.

5. In the 2007/08 school year, the unit cost⁽¹⁾ is estimated to be about \$34,900 for Secondary 4 and 5 and about \$59,600 for Secondary 6 and 7. The updated unit costs largely resemble that for the 2006/07 school year which is \$35,000 for Secondary 4 and 5 and \$59,000 for Secondary 6 and 7 respectively. The proposed increase of the school fees from \$5,670 to \$6,020 by \$350 per annum (achieving a recovery rate of 17.2%) for Secondary 4 and 5 and from \$9,450 to \$9,870 by \$420 per annum (achieving a recovery rate of 16.6%) for Secondary 6 and 7 are mild.

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. The impact of any civil service salary adjustments from 1.4.07 has also not been included.

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 2006/07 school year, additional revenue from the proposed fee increase would amount to about \$54 million per annum.

PUBLIC REACTION

8. We have sounded out school councils and parents on the proposal. 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 in the school sector.

ADVICE SOUGHT

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

Education Bureau
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