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Panel on Home Affairs

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 15 April 2013**

**Alignment of fees and charges of municipal facilities and services
under the policy purview of the Secretary for Home Affairs**

Purpose

This paper highlights the concerns of members of the Panel on Home Affairs ("the Panel") on the Government's proposed initiative to align the fees and charges of municipal facilities and services under the policy purview of the Secretary for Home Affairs ("SHA").

Background

2. According to the Administration, the current levels of fees and charges for many municipal facilities and services under the policy purview of SHA were inherited from the former Provisional Urban Council ("ProUC") and the former Provisional Regional Council ("ProRC"). Owing to the different pricing policies of ProUC and ProRC, there are discrepancies in the fees and charges for certain facilities and services in the urban areas and the New Territories, which include, among others, admission fees/hire charges for leisure venues/facilities (e.g. bowling greens, public swimming pools, tennis courts, basketball courts, soccer pitches, etc.), licence fees for places of amusement (e.g. billiard establishments, public bowling alleys and public skating rinks), and licence fees for places of public entertainment (e.g. cinemas and theatres, etc.).

3. The difference in the fee and charge levels for recreational and sports facilities in the urban areas and the New Territories has been a matter of concern to Legislative Council ("LegCo") Members. In the course of scrutiny of the Provision of Municipal Services (Reorganization) Bill in 1999, the Bills Committee noted the Administration's plan to align the fee levels of the services formerly provided by ProUC and ProRC within two years of their dissolution on 1 January 2000.

However, in response to a question raised at the Council meeting of 5 November 2003, the Administration indicated that it had decided to put on hold the fee alignment exercise in view of the then financial climate. Subsequently, in its respective replies to questions raised at the Council meetings of 23 November 2005 and 30 April 2008, the Administration advised that the Leisure and Cultural Services Department ("LCSD") had since its establishment in 2000 aligned the concessionary rates of various recreational and sports facilities in the urban areas and the New Territories, including those for the use of public swimming pools, tennis courts, soccer pitches, squash courts, sports centres, holiday villages, and so on. The Administration would examine the feasibility of and options for aligning the fees and charges concerned.

4. In response to a question raised at the Council meeting of 21 October 2009 concerning the fees and charges for recreational and sports facilities, the Administration advised that LCSD had set up a working group to study how to align the fees and charges for recreational and sports facilities in the urban areas and the New Territories. In the Administration's view, detailed consideration and balancing of the relevant factors, including the overall economic situation of Hong Kong, the utilization rates of the recreational and sports facilities, the affordability and acceptability of the public, as well as the Government's subsidy level, would be necessary. As the work involved was complicated and there were nearly 1 000 fee items for recreational and sports facilities to be reviewed, LCSD needed more time to work out the recommendations for consultation with the public.

5. In the 2013 Policy Address, the Chief Executive has announced that the Government plans to align the fees and charges for, among others, municipal facilities and services under the policy purview of SHA. As a first step, where the fee or charge for a municipal facility or service differs between the urban areas and the New Territories, the lower rate will prevail. As most of the fees and charges for the facilities and services of LCSD have remained unchanged since 2000, LCSD will conduct a comprehensive review of its charging policy and fee levels as the next step.

Deliberation of the Panel

6. When receiving a briefing from SHA on the policy initiatives of the Home Affairs Bureau covered in the 2013 Policy Address at the Panel meeting on 18 January 2013, members briefly discussed the Government's proposed initiative to align the fees and charges of municipal facilities and services under the policy purview of SHA. Members in general welcomed the Administration's decision to align the fees and charges for similar public sports facilities and services in the urban areas and the New Territories. The main issues discussed at the meeting are summarized below.

Level of fees and charges to be adopted

7. Members noted that under LCSD's current schedule of fees and charges for public sports facilities and services, while the same rates of fees and charges were charged for LCSD's facilities and services in the urban areas during peak and non-peak hours, different rates were applicable to users in the New Territories at peak and non-peak hours. Concern was expressed as to whether the Administration would adopt the lower non-peak fees and charges in the proposed fee alignment exercise. The Administration assured members that in aligning the fees and charges that related to the use of LCSD's facilities and services, the lower rate would prevail where there was a difference in the fee or charge for a facility or service between the urban areas and the New Territories.

Implementation timetable

8. Members were also concerned about the Administration's timetable for taking forward the fee alignment proposal. According to the Administration, the proposed exercise would involve revision to several hundred items of fees and charges which did not require legislative amendments, as well as amendment to some other 100 or so items of fees and charges which were subject to the negative vetting procedure of LegCo. The Administration planned to introduce the legislative amendments into LegCo in the 2012-2013 legislative session. While the proposed exercise would require re-setting of fees in LCSD's computerized booking system and the work required would take some time to complete, the Administration aimed to implement the fee alignment proposal within the 2013-2014 financial year.

Latest development

9. The Administration will consult the Panel on the fee alignment proposal at the meeting on 15 April 2013.

Relevant papers

10. A list of the relevant papers on the LegCo's website is in the **Appendix**.

**Relevant papers on
Alignment of fees and charges of municipal facilities and services
under the policy purview of the Secretary for Home Affairs**

Committee	Date of meeting	Paper
Legislative Council	5.11.2003	Official Record of Proceedings Pages 978-979 (written question on "Aligning Fee Levels and Fee-setting Mechanisms for Services Formerly Provided by the Two Municipal Councils")
Legislative Council	23.11.2005	Official Record of Proceedings Pages 2257-2260 (written question on "Fee Alignment Exercise for Leisure and Sports Facilities")
Legislative Council	30.4.2008	Official Record of Proceedings Pages 6637-6640 (written question on "Differences in Charges for Cultural and Recreational Facilities in Different Districts")
Legislative Council	21.10.2009	Official Record of Proceedings Pages 187-188 (written question on "Aligning the Fees and Charges for Public Recreational and Sports Facilities")
Panel on Home Affairs	18.1.2013 (Item IV)	Agenda Administration's paper on "2013 Policy Address - Policy Initiatives of Home Affairs Bureau"

Committee	Date of meeting	Paper
		2013 Policy Address Minutes

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