

LegCo Panel on Education

(For meeting on 19 June 2000)

**Revision of Fees and Charges on
Hiring of Accommodation and Equipment in Government Schools**

PURPOSE

This paper seeks Members' views on the proposed revision of fees and charges currently levied on hiring of certain accommodation and equipment in Government schools.

BACKGROUND

2. In line with the "User Pays" principle, organisations hiring accommodation and equipment in Government schools are charged on a full-cost recovery basis including staff costs, electricity charges and cleansing expenses. Charitable bodies and non-profit making organisations are charged at a reduced rate. We waive the charges for the use of Government schools by non-profit making uniformed groups such as the Hong Kong Red Cross or the Scout Association of Hong Kong for holding training/educational activities.

PROPOSAL

3. The fees for the hire of accommodation and equipment in Government schools were last revised in September 1997. These rates have been frozen since then as a result of the fee revision moratorium. The current cost recovery rates for the various fee items in Annex A range from 49% to 93% of total costs. In view of the improved economy, we propose to revise the existing level of fees with effect from 1 September 2000 as follows -

- (a) achieve full-cost recovery within three to seven years for fees with existing cost recovery rate of between 40% and 70% of target, through a 15% increase; and
- (b) achieve full-cost recovery within one to three years

for fees with existing cost recovery rate of over 70% of target, through an increase of 10% or less.

4. In dollar terms, the proposed increases range from an additional \$1 per hour for hire of classroom/workshop to an additional \$12 per hour for hire of school hall. The impact of the proposed increase on the users is not significant. A schedule of the proposed fees and relevant cost computation statements are at Annexes A and B respectively.

FINANCIAL IMPLICATIONS

5. The annual revenue generated by the proposed fees is estimated to be about \$889,000 for the current financial year, representing an increase of \$28,000 over the estimated revenue based on existing charges of \$861,000.

THE WAY FORWARD

6. The Director of Education undertakes to-
- (a) contain costs by continuing to implement the Enhanced Productivity Programme and taking other efficiency improvement measures; and
 - (b) review whether it is still necessary to provide the various services that require payment of fees and charges. If any of the services has become non-essential through the passage of time, prompt action will be taken to dispense with the requirement for that service and to abolish its associated fee or charge. The review will be completed by the end of this financial year and the findings will be submitted to Members for consideration.

MEMBERS' ADVICE

7. We should be grateful for Members' views on the proposed level of fee revision.

Education Department
June 2000

**Hire of Accommodation / Equipment in Government Schools
Fee Proposal for 2000/01 School Year**

Type of Accommodation	Existing Fee	Fee at Target Cost Recovery	Existing Cost		Time-frame	Proposed Fee	Increase	% of Increase
			Recovery Rate %	Recovery Category [Note]				
	\$ [a]	\$ [b]	[a]/[b] x 100%			[c]	\$ [c]-[a]	[c - a]/[a]
2.1 Standard rates for hiring of accommodation in / equipment of Government schools								
<u>Standard Rates</u> [Target Cost Recovery Rate : 100%]								
2.1.1 Classroom without room cooler	102 per hour	113 per hour	90%	b	2 years	112 per hour	10	9.80%
2.1.2 Covered Playground, Basketball Court, Gymnasium and Sports Fields								
(a) Day Time without lighting	216 per 2 hrs	271 per 2 hrs	80%	b	3 years	237 per 2 hrs	21	9.72%
(b) Night Time with lighting	223 per 2 hrs	276 per 2 hrs	81%	b	3 years	245 per 2 hrs	22	9.87%
2.1.3 Laboratories / Special Rooms without room cooler	115 per hour	136 per hour	85%	b	2 years	126 per hour	11	9.57%
2.1.4 School Hall - Additional charge for lighting panel	76 per 4 hrs	121 per 4 hrs	63%	a	4 years	87 per 4 hrs	11	15.00%
2.2 Hire rate of classrooms/workshops to VTC/HKIED (excluding labour cost which will be charged separately)								
[Target Cost Recovery Rate : 100%]								
Classroom / Workshop								
(a) without room cooler	243 per month (equivalent to \$6 per hour)	12 per hour	49%	a	6 years	7 per hour	1	15.00%
(b) with room cooler	630 per month	20 per hour	81%	b	3 years	17 per hour	1	6.25%

**Hire of Accommodation / Equipment in Government Schools
Fee Proposal for 2000/01 School Year**

Type of Accommodation	Existing Fee	Fee at Target Cost Recovery	Existing Cost		Time-frame	Proposed Fee	Increase	% of Increase
			Recovery Rate %	Recovery Category [Note]				
	\$ [a]	\$ [b]	[a]/[b] x 100%			[c]	\$ [c]-[a]	[c - a]/[a]
(equivalent to \$16 per hour)								

2.3 Hiring of accommodation in Government schools to non-profit making organisations

Reduced Rate [Target Cost Recovery Rate : 50% of the Standard Rate]
(for charitable organisations , non-profit making organisations and HK Examinations Authority)*

2.3.1	Classroom without room cooler	51 per hour	56 per hour	91%	b	1 year	56 per hour	5	9.80%
2.3.2	Covered Playground, Basketball Court, Gymnasium and Sports Fields								
(a)	Day Time without lighting	108 per 2 hrs	136 per 2 hrs	79%	b	3 years	118 per 2 hrs	10	9.26%
(b)	Night Time with lighting	112 per 2 hrs	138 per 2 hrs	81%	b	3 years	123 per 2 hrs	11	9.82%
2.3.3	School Hall without air-conditioning	150 per hour	162 per hour	93%	b	1 year	162 per hour	12	8.00%
2.3.4	Laboratories without room cooler	58 per hour	68 per hour	85%	b	2 years	63 per hour	5	8.62%

Note:

Recovery Category

Category a: Achieve full-cost recovery within three to seven years for fees with existing cost recovery rate of between 40% and 70% of target, through a 15% increase.

Category b: Achieve full-cost recovery within one to three years for fees with existing cost recovery rate of over 70% of target, through a 10% or lower increase.

* We waive the charges for non-profit making uniformed organisations for holding training and/or educational activities, and HK Examinations Authority (HKEA) for conducting examinations specified in the schedule of the HK Examinations Authority Ordinance. The HKEA will be charged at a reduced rate for conducting overseas/external examinations.

**Hire of Accommodation / Equipment in Government Schools
Fee Proposal for 2000/01 School Year
(Cost Computation Statement)**

2.1 Standard rates for hiring of accommodation in / equipment of Government schools

Standard Rate [Target Cost Recovery Rate : 100%]

	Calculated Unit Rate at 2000-01 F.Y. Prices				
	<u>2.1.1</u> \$ (per hour)	<u>2.1.2(a)</u> \$ (per 2 hours)	<u>2.1.2(b)</u> \$ (per 2 hours)	<u>2.1.3</u> \$ (per hour)	<u>2.1.4</u> \$ (per 4 hours)
Staff Costs	99	197	196	99	-
Departmental Expenses	10	15	20	31	13
Depreciation	2	54	55	4	106
Central Administrative Overhead	2	5	5	2	2
	113	271	276	136	121
Proposed Fee with effect from 1 Sept 2000	112	237	245	126	87

Legend

- 2.1.1 Classroom without room cooler
- 2.1.2(a) Covered Playground, Basketball Court, Gymnasium and Sports Fields - Day Time without lighting
- 2.1.2(b) Covered Playground, Basketball Court, Gymnasium and Sports Fields - Night Time with lighting
- 2.1.3 Laboratories / Special Rooms without room cooler
- 2.1.4 School Hall - Additional charge for lighting panel

**Hire of Accommodation / Equipment in Government Schools
Fee Proposal for 2000/01 School Year
(Cost Computation Statement)**

2.2 Hire rate of classrooms/workshops to VTC/HKIEd (excluding labour cost which will be charged separately)

[Target Cost Recovery Rate : 100%]

	Calculated Unit Rate at 2000-01 F.Y. Prices	
	<u>2.2(a)</u>	<u>2.2(b)</u>
	\$ (per hour)	\$ (per hour)
Staff Costs	-	-
Departmental Expenses	10	16
Depreciation	2	3
Central Administrative Overhead	-	1
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	12	20
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Proposed Fee with effect from 1 Sept 2000	7	17

Legend

- 2.2(a) Classroom / Workshop without room cooler
- 2.2(b) Classroom / Workshop with room cooler

Annex B

**Hire of Accommodation / Equipment in Government Schools
Fee Proposal for 2000/01 School Year
(Cost Computation Statement)**

2.3 Hiring of accommodation in Government schools to non-profit making organisations

Reduced Rate [Target Cost Recovery Rate : 50% of the Standard Rate]

*(for charitable organisations, non-profit making organisations and HK Examinations Authority)**

	Calculated Unit Rate at 2000-01 F.Y. Prices				
	<u>2.3.1</u>	<u>2.3.2(a)</u>	<u>2.3.2(b)</u>	<u>2.3.3</u>	<u>2.3.4</u>
	\$	\$	\$	\$	\$
	(per hour)	(per 2 hours)	(per 2 hours)	(per hour)	(per hour)
Staff Costs	50	99	98	98	50
Departmental Expenses	4	7	10	54	15
Depreciation	1	27	27	7	2
Central Administrative Overhead	1	3	3	3	1
	56	136	138	162	68
Proposed Fee with effect from 1 Sept 2000	56	118	123	162	63

Legend

- 2.3.1 Classroom without room cooler
- 2.3.2(a) Covered Playground, Basketball Court, Gymnasium and Sports Fields - Day time without lighting
- 2.3.2(b) Covered Playground, Basketball Court, Gymnasium and Sports Fields - Night time with lighting
- 2.3.3 School Hall without air-conditioning
- 2.3.4 Laboratories without room cooler

* We waive the charges for non-profit making uniformed organisations for holding training and/or educational activities, and HK Examinations Authority (HKEA) for conducting examinations specified in the schedule of the HK Examinations Authority Ordinance. The HKEA will be charged at a reduced rate for conducting overseas/external examinations.