

## **Legislative Council**

### **Panel on Administration of Justice and Legal Services**

#### **Transcript Fees**

##### **Introduction**

This paper explains the charging mechanism for production of transcripts of court proceedings.

2. In 1994, the Judiciary introduced the Digital Audio Recording and Transcript Production Services (DARTS). It aimed at improving efficiency, speeding up trials and relieving the judges and judicial officers from laboriously taking notes of proceedings. It was therefore decided that the full costs of equipping, managing, operating and maintaining DARTS would not be passed on to the court users, and only the costs of producing transcripts would be charged.

3. DARTS are now operated by two contractors, the services of whom were secured through open tenders. One contractor is responsible for the services in all the courts and tribunals on Hong Kong Island, the other covers courts in Kowloon and the New Territories. Both contracts will expire at the end of 2004.

##### **Costs of Production and Nature of the Fees**

4. The costs of producing transcripts consist of two components :

- (a) transcript service costs charged by DARTS contractors according to contract terms; and
- (b) costs of the Judiciary staff in dealing with requests for transcripts and related overhead charges.

5. The fee for one page of transcript was at first set at \$80 in September 1994, although the production cost, as calculated in 4(a) and 4(b) above, was then \$112 per page. The fee was increased to \$85 per page in 1997 due to inflation and has remained unchanged since then.

6. The transcript fee is an administrative fee approved by the Secretary for Financial Services and the Treasury. The authority to waive or vary is vested in him. All fees collected go to Government's General Revenue.

### **Setting the Fee Level**

7. The transcript fee is set on the basis of an estimation of unit cost using the "absorption costing" method. The total production costs are absorbed into (i.e. spread evenly among) an estimated utilisation which covers all requests for transcripts from different parties, i.e. for a first copy transcribed directly from the audio recording system as well as subsequent photo-copies. This charging mechanism is considered to be fair to all users as it spreads the costs evenly among all requesting parties, be they members of the public, the Legal Aid Department or the Department of Justice (through which requests from all other government departments apart from the Legal Aid Department are routed). However, the government departments, because of the no cross-charging policy, need not actually pay.

8. The Judiciary had been successful in negotiating for a lower charge for transcription production with the DARTS contractors in the last contract renewal exercise. The Judiciary now pays the contractors production costs according to the following contract terms :

	<u>English</u> <u>(\$ per page)</u>	<u>Chinese</u> <u>(\$ per page)</u>
Contractor A	\$61	\$95
Contractor B	\$62.08	\$95.02

The costs of producing transcripts in Chinese are higher because a page contains more words. However, in order to simplify administration, an average cost approach has been taken. Based on past experience, the actual requests for English to Chinese transcript is in the ratio of 1.7 : 1. Based on this ratio, the average production cost per page is worked out to be about \$74. On top of that \$13, being staff cost and overhead, is added, bringing the total cost of production to \$87 per page.

9. For the financial year 2002/03, DARTS contractors were paid \$13,079,181.28 for producing transcripts and the Judiciary only collected \$4,439,585 from fees.

10. The present level of \$85 per page almost fully covers the Judiciary's costs for producing transcripts as set out in paragraph 8. It is proposed to invite the Secretary for Financial Services and the Treasury to review this level of fee in the light of the new DARTS contracts in early 2005.

11. In obtaining a record of the proceedings, the applicants have the alternative of getting an audio tape of the proceedings at a fee of \$105 for every 60 minutes.

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