

**Submission to the LegCo Panel on Education**

by

**The Oxford Oriental School of Languages**

**Re : Meeting on 28<sup>th</sup> February 2002**

**Agenda Item V**

**Regulation of tutorial schools**

**1. Introduction**

- 1.1 The Oxford Oriental School of Languages (OOSL) is concerned about the proposal to require certain categories of registered schools to place funds on deposit – with third party trustees – as a kind of contingency compensation fund for students.
- 1.2 OOSL is also very concerned that the Government's policies towards private commercial schools in general, and in particular the legislation passed to regulate it, are at present formulated without proper or adequate consultation.
- 1.3 This submission first provides some brief background information relating to OOSL's previous attempts to raise its concerns with the Administration. Then it focuses more closely on these concerns, and makes a number of suggestions regarding the issues raised.

**2. Background**

- 2.1 OOSL is registered as a school in Hong Kong by the Director of Education.
- 2.2 OOSL has addressed the Director of Education (DE), the Secretary for Education and Manpower (SEM) and the LegCo member representing the Education Sector (and Education Panel member), the Hon CHEUNG Man-kwong (Mr. Cheung), in an attempt to communicate its views on various issues relating to the regulation of private commercial schools.
- 2.3 However, OOSL is frustrated by what it feels has been the disregard shown by the Administration to its concerns. More recently therefore, OOSL has written to members of both this LegCo Panel and the Board of Education appealing to individual members of these bodies to ensure that private commercial schools are at the very least consulted on proposals of direct relevance to them.

**3. The Private School Guarantee Deposit Proposal**

- 3.1 OOSL's concerns on the guarantee deposit proposal can be summarised as follows :

- It is a drastic measure which in effect “punishes” private commercial schools simply for being private commercial schools. It appears to be knee-jerk reaction to the problems caused by only a very small number of schools.
- A requirement for such schools to pay up a guarantee deposit of this nature would serve to deter entry by new educational enterprises into a sector described by DE as “a crucial alternative in our education system” (SCMP, 28/01/02).
- It would emasculate private commercial schools by locking away a sum equivalent to approximately 1/12 (or 8.3%) of their annual turnover, and thereby severely restrict the right of these enterprises to free economic activity.
- By discouraging private educational enterprises from registering as schools, it would most likely exacerbate the more serious problem of unregistered schools.
- By significantly adding to the regulatory and financial burden of registered schools, drastic measures such as this proposal might only serve to encourage some such schools to find ways to “bypass” the regulations.

3.2 OOSL suggests :

- That before taking the private schools “guarantee deposit” proposal any further, the Administration conducts genuine and widespread consultation with the industry.
- That the Administration seriously consider the establishment of an industry compensation fund, similar to that of the travel industry (please refer to Appendix).
- That the Administration, in partnership with all interested and concerned parties (The LegCo Education Panel, the Board of Education, the Standing Committee on Language Education and Research, the Consumer Council etc, and not least the industry itself) consider other ways to improve consumer protection.

## **4. Industry Consultation**

4.1 OOSL’s concerns about the lack of industry consultation before government policies are formulated, or legislation passed, can be summarised as follows :

- As regulators of the industry, ED appears to show little concern for or understanding of the very large number of registered schools who provide non-mainstream (kindergarten, primary or secondary) education services.
- The activities of a very few black sheep should be a cause for dialogue with the industry, rather than castigation of it. (Contrast this situation with the Administration’s engagement with TCM practitioners, lawyers, taxi drivers, travel agents or the various other regulated industries).
- The Administration does not, as a matter of course, consult the private commercial school industry on changes to ED’s regulation of it – either in respect of proposed legislative changes or in respect of changes to regulatory policy.
- OOSL feels that the current situation is wholly unsatisfactory and wrong; and that the industry should be considered, consulted and respected for its legitimate and crucial role in the provision of

supplementary educational services.

- OOSL is also concerned that, if the industry is not consulted on a routine and formal basis, ED will be failing in its stated mission of forging partnerships to promote excellence in school education.

4.2 OOSL suggests :

- That the Administration commits itself to routine, on-going and constructive dialogue with the industry to ensure effective consultation is achieved.
- That a commitment to consultation be backed up by the establishment of a framework for such a consultative process.
- While fully acknowledging the need for the industry to organise itself into one or more professional representative bodies, that ED has a role to play in assisting this process.

### **Appendix**

The Travel Industry Compensation Fund – A model for a Possible “Private Commercial Schools Compensation Fund”.

20<sup>th</sup> February, 2002

***The Travel Industry Compensation Fund (TICF)***

a model for a possible

***Private Commercial Schools Compensation Fund (PCSCF)***

| <b>Travel Industry Council</b>   | <b>Association of Private Commercial Schools</b>  |
|--|---|
| <ul style="list-style-type: none"> <li>• Established in 1978 and incorporated in 1988</li> <li>➤ monitoring of outbound travel agents and protecting the interests of both travellers and traders</li> </ul>   | <ul style="list-style-type: none"> <li>• a number of private commercial schools (PCS) will shortly sign a letter of intent to establish such a body</li> </ul>  |
| <b>Travel Agents Registry</b>  | <b>Registry of Schools</b>  |
| <ul style="list-style-type: none"> <li>• an office within ESB, HKSARG               <ul style="list-style-type: none"> <li>➤ licensing of travel agents</li> <li>➤ administration of travel agents</li> <li>➤ administration of TICF</li> </ul> </li> </ul>  | <ul style="list-style-type: none"> <li>• currently DE himself (S8, Cap 279)               <ul style="list-style-type: none"> <li>➤ registration of PCS</li> <li>➤ regulation of PCS</li> <li>➤ administration of PCSCF</li> </ul> </li> <li>• possible separate registry for PCS under ED or EMB</li> </ul> |
| <b>Advisory Committee on Travel Agents</b>   | <b>Board of Education</b>   |
| <ul style="list-style-type: none"> <li>• Statutory body (S7, Cap 218)               <ul style="list-style-type: none"> <li>➤ advise CE on matters relating to the administration of Cap 218 and the business of travel agents</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>• a statutory body (S7, Cap 279)               <ul style="list-style-type: none"> <li>➤ advise DE on educational matters</li> </ul> </li> <li>• possible sub-committee, or a separate committee</li> </ul>   |
| <b><i>TICF - Management Board</i></b>  | <b><i>PCSCF - Management</i></b>  |
| <ul style="list-style-type: none"> <li>• established under S32B, Cap 218</li> <li>• members appointed by FS from the travel industry, Consumer Council legal, accounting, banking sectors etc.               <ul style="list-style-type: none"> <li>➤ hold, manage and apply the TICF</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• a PCSCF management team could and should be similarly constituted, with members appointed from similar fields               <ul style="list-style-type: none"> <li>➤ hold, manage and apply the PCSCF</li> </ul> </li> </ul>                                       |