

**For discussion  
on 13 February 2012**

## **Legislative Council Panel on Education**

### **Provision of international school places**

#### **Purpose**

This paper briefs Members on the measures taken and progress made in facilitating the development of the international school sector.

#### **Government's commitment**

2. The Government is committed to developing a vibrant international school sector in meeting the demand for school places from overseas families living in Hong Kong and families coming to Hong Kong for work or investment. To this end, we have implemented a number of facilitation measures including allocation of vacant school premises and greenfield sites, interest-free loan for school building and nominal rent for the leasing of government land or premises.

#### **Latest development**

3. At present, there are 47 international schools in Hong Kong offering a range of curricula such as the American, Australian, British, Canadian, French, German, Japanese, Korean, Singaporean and the International Baccalaureate programme. They provide a total of around 37 000 school places (including 20 100 primary school places and 16 900 secondary school places) and 1 international special school in the 2011/12 school year. According to the annual enrolment survey for the 2011/12 school year, as at September 2011, some 33 000 students were enrolled in international schools, constituting about 89% of the total number of places available.

#### **Facilitation measures**

4. We have been taking a number of measures to support and facilitate the development of international schools as well as to increase the supply of international school places. The progress made in respect of the key measures is set out in the ensuing paragraphs.

*(a) In-situ expansion*

5. A few international schools such as Hong Kong International School and French International School have been approved for undergoing in-situ expansion in recent years. In the case of Hong Kong International School, 500 additional primary and secondary school places will be provided in the coming years. We understand that a few other international schools have drawn up expansion plans with a view to increasing the number of school places to address immediate needs of the community. We will continue our effort in liaising with those international schools to facilitate in-situ expansion.

*(b) Vacant school premises*

6. Through an open and competitive bidding mechanism, we have already allocated vacant school premises<sup>1</sup> to expedite the expansion of four existing international schools for their further development, namely, the International College (Hong Kong), the German Swiss International School, Singapore International School and the French International School. It is expected that there will be an increase of around 500 school places from the 2011/12 school year onwards.

7. To facilitate in-situ redevelopment of international schools, we have approved applications from seven existing schools for using vacant school premises as temporary decanting campuses. We have also referred interested international school operators to school sponsoring bodies with vacant school premises on private land to explore the feasibility of utilizing these premises, in order to facilitate the development of the international schools concerned. In the 2011/12 school year, some 200 additional places have been provided through making use of vacant school premises on private land.

*(c) Greenfield sites*

8. In 2009, we allocated greenfield sites for four international schools. Of which, the Kellett School and the Harrow International School Hong

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<sup>1</sup> In general, we allocate vacant school premises and sites for designated school use, including international school use, to school operators through an open and competitive central bidding process. At present, most of the vacant school premises under the Education Bureau have been earmarked for further educational uses. As for those vacant school premises which are not suitable for educational use, they have been returned to the relevant lands authorities for their redeployment for other purposes.

Kong are scheduled to commence operation in the coming school year. Along with the completion of the two other international schools on the allocated greenfield sites, namely the Hong Kong Academy and Christian Alliance P. C. Lau Memorial International School, there will be an additional provision of 3 500 school places from the 2012/13 school year onwards.

*(d) Provision of capital assistance*

9. Under the existing policy, subject to the approval of the Finance Committee of the Legislative Council (LegCo), capital assistance in the form of interest-free loan for the construction of school buildings<sup>2</sup> may be offered to non-profit-making<sup>3</sup> international school operators on an application basis. Over the years, the Finance Committee has approved applications for interest-free loan by a number of international schools<sup>4</sup> to finance their school building projects.

**Study on the provision of international school places**

10. We commissioned in late 2011 a study which aims, amongst others, to stock-take the existing provision of international school places and project future demand and supply. The study includes a business survey which targets business corporations and other agencies with staff recruited or relocated from outside Hong Kong. Information will be sought on, for example, the existing arrangements for these employees whose children are studying in international schools and the plan of business corporations and agencies to recruit or relocate staff from outside Hong Kong in the next few years. In addition, the study invites views from individual employees recruited or relocated from outside Hong Kong about their preferences on curriculum, location and student mix of the schools at which their children are attending or will attend in Hong Kong.

11. The study also includes a school survey which examines the provision of school places and future expansion plans of the existing international schools. The study is expected to be concluded in mid 2012

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<sup>2</sup> The loan, repayable in ten years, is capped at 100% of the cost for constructing a standard-design public sector school accommodating the same number of students.

<sup>3</sup> In this paper, non-profit-making international school operators refer to those that are exempt under section 88 of the Inland Revenue Ordinance (Cap. 112).

<sup>4</sup> Examples include the Japanese International School for the construction of new campus in Tai Po Kau, the New Territories, the Australian International School at Norfolk Road, Kowloon, and the Canadian International School at Nam Long Shan Road, Hong Kong.

and the findings will provide insight to the Government's review on the support measures for the international school sector in the long run.

## **Way forward**

12. Pending our assessment of the projected demand for international school places in the long run, we would consider the need for further facilitation measures to meet the more immediate development needs of international schools. Given the scarcity of land resources in Hong Kong, the longer lead time required for developing greenfield sites and the more immediate nature of the demand arising from companies' plan for recruitment or relocation of staff to Hong Kong in the near future as gathered from preliminary feedback from the study, we would identify and plan for allocation of a few suitable vacant premises to facilitate school operators which seek to improve or expand their existing premises as far as possible. We would launch an Expression of Interest exercise among international schools for vacant school premises to ascertain their development needs and interests in the premises before conducting a school allocation exercise. We will announce the timing of the exercise when we have confirmed the availability of the premises concerned.

13. On the other hand, we would expedite the processing of applications for interest-free loan from three international schools undergoing expansion or development on sites granted at nominal premium in 2009. Key features of the school projects from the applicants are set out at the **Annex**. Subject to Members' views, we will seek approval from the Finance Committee on the loan applications within the first half of this year.

14. We will continue to monitor closely the provision of school places in the international school sector in meeting the demand for school places from families coming to Hong Kong for work or investment. We will provide relevant information on our website for incoming investors and interested operators of international schools. We will maintain dialogue with the business sector, international schools, other concerned parties, and relevant Government bureaux and departments as appropriate. We take the opportunity to appeal for support from different sectors of the community to further the development of a vibrant international school sector.

**Education Bureau**  
**February 2012**

## **Application for interest-free loan**

### **Policy on the provision of capital assistance**

To facilitate the development of the international school sector, it is an established policy of the Government to provide capital assistance in the form of interest-free loan for the construction of school buildings to non-profit-making international school operators on an application basis. The loan is capped at 100% of the cost for constructing a standard-design public sector school accommodating the same number of students. Subject to the approval of the loan fund application by the Finance Committee of the LegCo, a loan agreement will be signed between the Administration and the successful applicants. The loan shall be secured by a legal charge on the property in favour of the Government. It will be drawn down upon the completion of the school building and is repayable in ten years. Details of the policy have been set out in the LegCo Brief (Ref EMBCR 15/581/94 III) issued to Members in October 1995. Subsequently, the LegCo Finance Committee has approved a number of the loan applications of international schools for the construction of the school premises. Examples include the Australian International School, Hong Kong Japanese International School and the Canadian International School.

### **Background of the applications**

2. As an initiative to expand the international school sector in Hong Kong, four greenfield sites in Kowloon and the New Territories were allocated to four international school operators in 2009. The Government also undertook to, subject to approval of the LegCo Finance Committee, provide interest-free capital assistance loan to the four schools for construction of their school buildings. With the completion of land grant and relevant procedures, three of the four school operators, namely, Hong Kong Academy Educational Foundation Limited (HKAEFL), Kellett School Association Limited (Kellett School) and

Harrow International School (Hong Kong) Limited (HISHKL), have submitted applications for the interest-free loan to cover part of the construction cost of school building. Key features of the school projects are set out in paragraphs 4 to 12 below. As regards the other school operator, Trustee of the Kowloon Tong Church of the Chinese Christian and Missionary Alliance which has been allocated a greenfield site at King Lam Street, Lai Chi Kok for relocation and expansion of the existing campus, it will make a similar application when the land grant and related procedures are completed.

3. The applicants are non-profit-making organizations which can only obtain bridging loan for the construction of school building from private or commercial sources with the backing of Government's interest-free loan. The loan, if approved, will contribute towards repayment of the bridging loans which the applicants have taken out to finance the construction of the new school premises.

### **Key features of the school projects**

#### **(1) Hong Kong Academy Educational Foundation Limited (HKAEFL)**

4. The project involves the construction of a new school premises at a greenfield site at the juncture of Wai Man Road and Mei Yuen Street Area 4, Sai Kung Town, to accommodate 604 primary and secondary students. The estimated Government loan is \$131 million in September 2010 price to provide the following facilities –

- (a) 32 classrooms;
- (b) 20 special rooms;
- (c) a two-storey library;
- (d) an outdoor full-sized basketball court;
- (e) a rooftop soccer pitch/playground; and
- (f) other educational related facilities.

5. The site plan and artist's impression of the school premises are at Enclosure 1 to Annex.

6. We have consulted the Sai Kung District Council Social Services & Healthy and Safe City Committee in January 2010. Members of the Committee did not raise objection to the project at the meeting. We plan to seek the approval of the LegCo Finance Committee for the proposed loan fund application in April 2012. Subject to the approval of the Committee, HKAEFL plans to draw down the loan in mid 2013 upon the completion of the construction work in mid 2013. The school is expected to commence operation in the 2013/14 school year.

(2) Kellett School Association Limited (Kellett School)

7. The project involves the construction of an additional school premises at a greenfield site at the juncture of Kai Cheung Road and Wang Kwong Road, Kowloon Bay, to accommodate 880 primary and secondary students. The estimated Government loan is \$176.7 million in September 2010 price to provide the following facilities –

- (a) 50 classrooms;
- (b) over 10 special rooms;
- (c) a library;
- (d) a six-lane swimming pool;
- (e) an artificial turf multi-sport area with running tract;
- (f) an indoor sports hall; and
- (g) other educational related facilities.

8. The site plan and artist's impression of the school premises are at Enclosure 2 to Annex.

9. We have consulted Members of the Kwun Tong District Council who did not raise objection to the project. We plan to seek the approval of the LegCo Finance Committee for the proposed loan fund application in April 2012. Subject to the approval of the Committee, the Kellett School plans to draw down the loan in mid 2013 upon the completion of the construction work in mid 2013. The school is expected to commence operation in the new campus in the 2013/14 school year.

(3) Harrow International School (Hong Kong) Limited (HISHKL)

10. The project involves the first phase construction of a new school premises at a greenfield site at Area 48, Castle Peak Road, So Kwun Wat, Tuen Mun, to accommodate 1 150 primary and secondary students. The school will ultimately accommodate 1 500 primary and secondary students. The estimated Government loan is \$236.3 million in September 2010 price to provide the following facilities –

- (a) about 75 main classrooms;
- (b) specialist rooms for Art, Drama, Information and Communications Technology (ICT) and Music;
- (c) a boarding house with a capacity for up to 400 students;
- (d) a learning lounge which integrates the Library with the ICT suite;
- (e) an indoor swimming pool, sports hall and fitness room;
- (f) outdoor sports field and tennis/basketball courts; and
- (g) other educational related facilities.

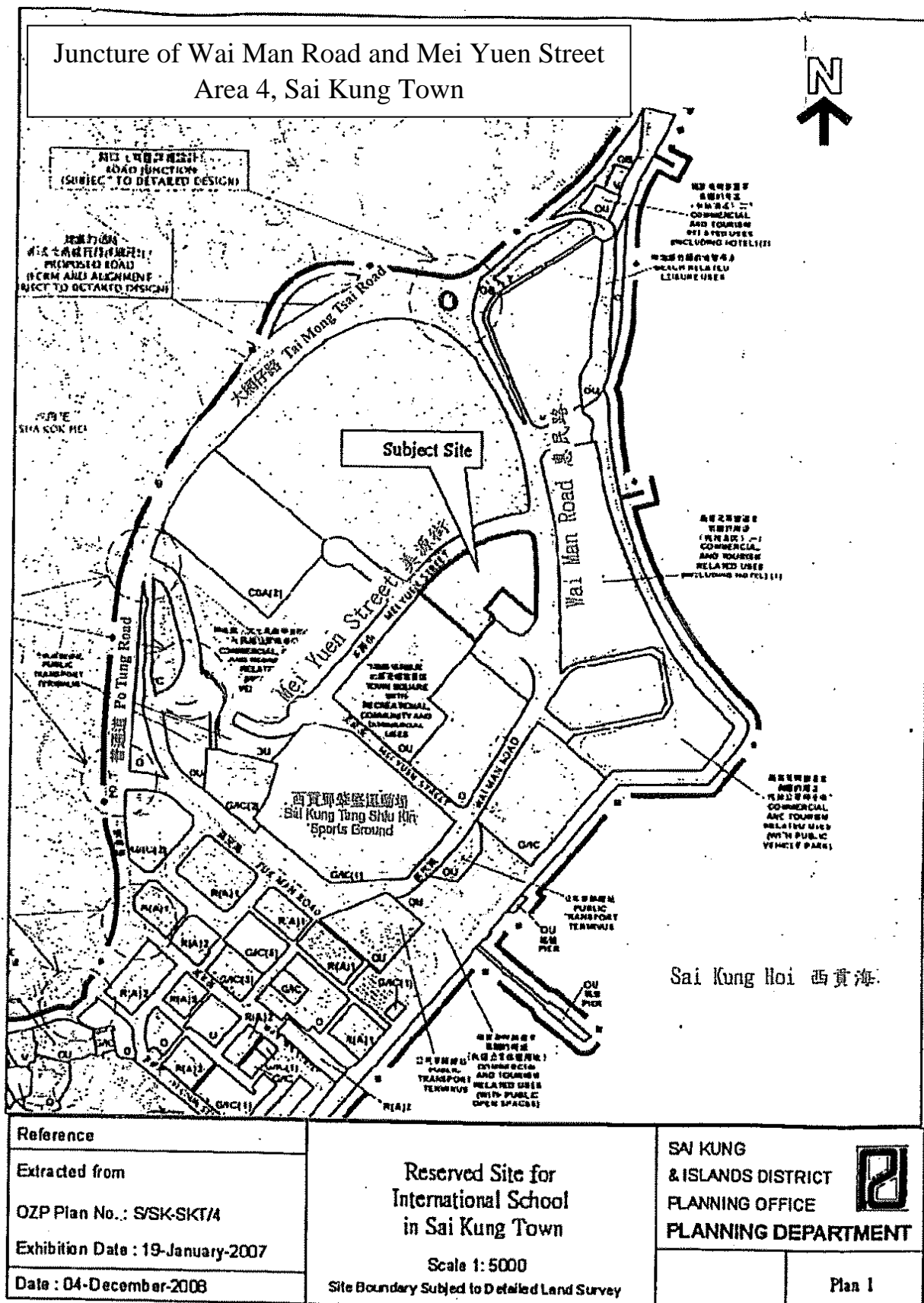
11. The site plan and artist's impression of the school premises are at Enclosure 3 to Annex.

12. We have consulted the Tuen Mun District Council in September 2010. Members of the Council did not raise objection to the project at the meeting. We plan to seek the approval of the LegCo Finance Committee for the proposed loan fund application in May 2012. Subject to the approval of the Committee, HISHKL plans to draw down the loan in late 2012 upon the completion of the construction work before August 2012. The school will commence operation in the 2012/13 school year.



Hong Kong Academy Educational Foundation Limited

Site plan



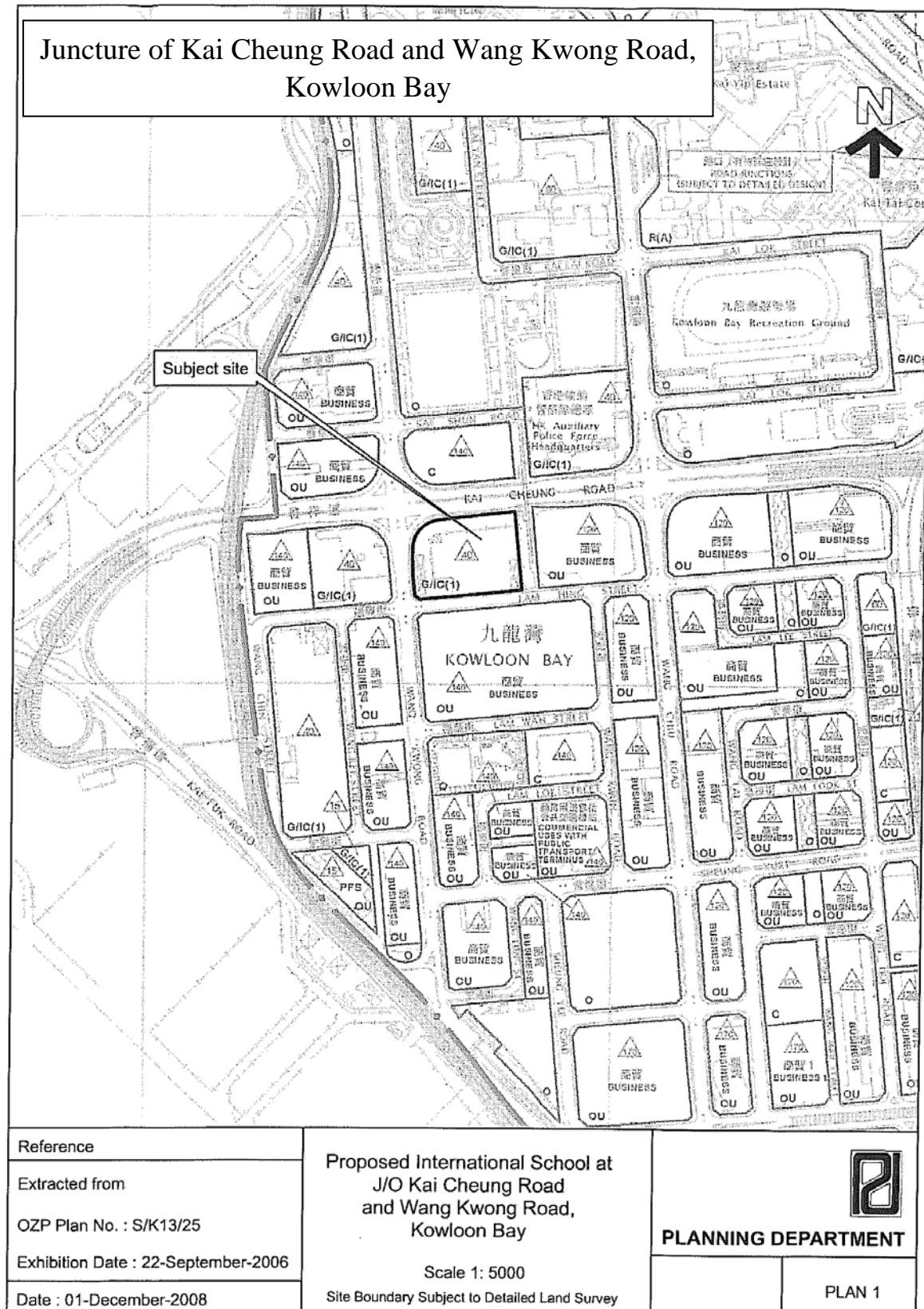
Artist's impression



## Enclosure 2 to Annex

### Kellett School Association Limited

#### Site plan



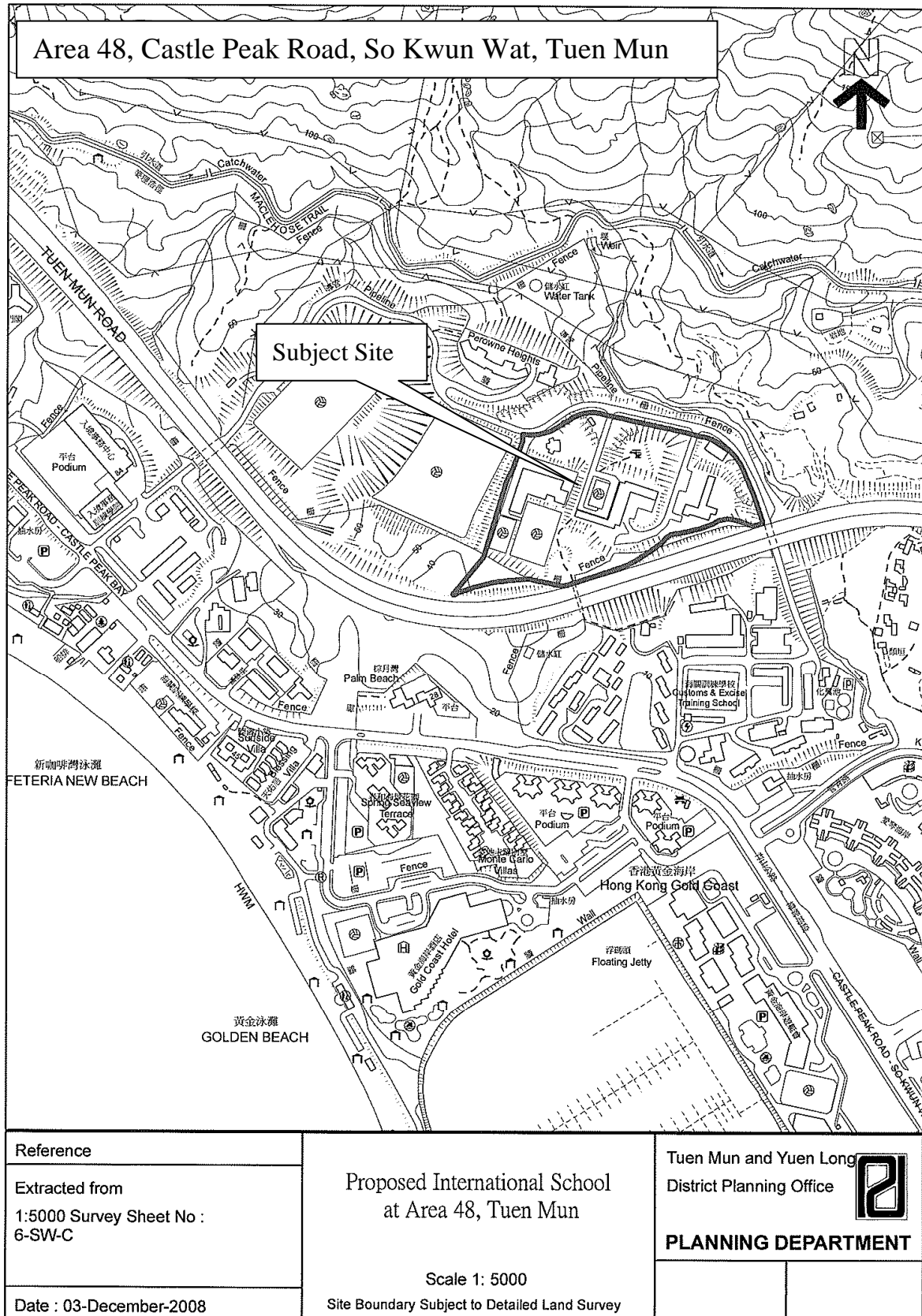
Artist's impressions



## Enclosure 3 to Annex

### Harrow International School (Hong Kong) Limited

#### Site plan





Artist's impression

