

**For discussion
on 17 April 2013**

Legislative Council Panel on Education

**Provision of International School Places
and Related Facilitation Measures**

Purpose

This paper reports the findings of the Consultancy Study on the provision of international school places at primary and secondary levels in Hong Kong (“the Study”), and briefs Members on the facilitation measures for supporting the development of international schools to meet the demand, especially that from overseas families.

Background

2. In the light of the increasing demand for international school places, we commissioned an external consultant to conduct a study between June 2011 and December 2012 on the provision of international school places. The objectives of the Study are to stock-take the existing provision of international school places (as at the 2011/12 school year), project the future demand and supply, and facilitate the review of support measures for the international school sector. The findings and projections of the Study are based on views and feedback collected from surveys and interviews with international schools, the business community and the Thematic Household Survey.

Findings of the Study

3. Key findings of the Study are summarized as follows –

(i) Supply of international school places

- (a) *Rising supply in the past 10 years* – The overall provision of international school places¹ in Hong Kong has increased by 58.7% from 30 982 in 2001/02 to 49 183 in 2011/12, which were provided by 14 schools under the English Schools Foundation (“ESF”), 33

¹ Provision of all primary and secondary places in schools operated by the English Schools Foundation, private international schools and private independent schools offering non-local curriculum.

private international schools, 7 Private Independent Schools (“PIS”);

- (b) ***Concentration of supply on Hong Kong Island*** – 54.3% of the international school places are on Hong Kong Island, 25.4% in Kowloon and 20.3% in the New Territories in 2011/12;
- (c) ***Underutilized capacity*** – The percentage of provision taken up at primary level in ESF and private international schools in 2011/12 was 85.4% while that in PIS was 94.2%. The respective rates at secondary level were 81.9% and 82.2%. The fill-up rate unavoidably varies among schools. As at 2011/12, the overall fill up rate of these schools was 89.8%. School places were often not fully utilized, with 26% of primary schools and 48% of secondary schools operating below 81% of their provision. At primary level, the average class size ranged from around 30 for ESF schools to around 20 for private international schools while at secondary level, the average class size of ESF schools was around 27 and that for both private international school and PIS was about 20; and
- (d) ***Expansion of existing international schools*** – 61% of international schools reported that they had implemented expansion, redevelopment or relocation projects in the past five years. 37% of them indicated that they planned to implement projects that would result in over 6 000 additional international school places in the coming five years.

(ii) Demand from business and household perspectives

- (a) ***Uncertain demand from international business community*** – Around 4% of the business establishments interviewed currently employed staff with employment visas and 10.8% with staff who were naturalized residents. While 55.9% of these employees had school age children (under the age of 21), it is uncertain whether all of them brought or would bring their children with them. Based on data from the business survey, it is estimated that by 2016, there would be a net increase of 12.9% in staff with employment visas or who are naturalized persons for companies in Hong Kong as a whole. In addition, among business establishments which planned to adjust their employment size between 2012 and 2016, out of eight factors (viz., availability of international school places, availability of staff of the right quality, cost of business accommodation, cost of business support services, cost of housing for staff, environmental quality, government regulatory burden and

staff cost), the availability of international school places ranked the 8th in terms of the percentage of business establishments that considered it as a very important or important factor affecting their decision on business expansion or relocation of Hong Kong office to places outside Hong Kong. About 21.6% of the business establishments surveyed considered it a very important or important factor while 43.7% considered it not very important or not important at all and the rest did not give any views;

- (b) ***Increasing aspiration for non-local curriculum from local parents*** – The proportion of local students in international schools grew from 11.6% in 2001/02 to 25.6% in 2011/12 at primary level and from 10.7% in 2001/02 to 22.8% in 2011/12 at the secondary level. Most of them are attracted by the flexible and interactive learning as well as the opportunities for their children to improve English proficiency offered by international schools. On average, those who applied for Grade 1 in international schools applied for 1.5 international schools;
- (c) ***Increasing demand in the New Territories*** – Despite a concentration of international school places (54.3%) on Hong Kong Island, only 31.6% of the total international school student population resides on the Hong Kong Island. The proportion of students residing in the New Territories (about 30%) is higher than that enrolled in schools in the same area (around 20%). In addition, for parents of children attending international schools, those of non-local students in general accorded a higher level of importance to location of schools; and
- (d) ***Expanding waiting list*** – The number of students on the waiting lists of international schools may be over-reported as some students were subsequently admitted and some may apply for more than one school. After taking account of such possible over-reporting, it is estimated that the number of local and non-local students on the waiting lists of international schools rose from 2 134 in 2001/02 to 3 918 in 2011/12 at primary level and from 200 in 2001/02 to 452 in 2011/12 at secondary level.

(iii) Projections

4. It is expected that additional 2 177 primary and 4 078 secondary places will be provided under the expansion, redevelopment plans and growth of various international schools between 2011/12 and 2016/17, leading to the provision of 28 445 primary and 26 993 secondary places in

2016/17. However, based on the expansion plan of the business community, the increase in student population from overseas families coming to Hong Kong, the local demand for international school places, and the unmet demand as derived from the waiting list of international schools, it is projected that the total demand for international school places will increase to 32 648 at primary level and 24 554 at secondary level in the coming five years, resulting in a *shortfall of 4 203 primary places in 2016/17*.

(iv) Views on existing facilitation measures

5. The Study finds that the majority of international schools considered the provision of capital loan for the construction of school premises very helpful or helpful (63.2%), followed by allocation of greenfield sites / vacant school premises close to existing school premises (60.4%) on the Hong Kong Island (60.1%), and the simplifying of procedures in processing international schools' application for school expansion (57.9%). They also considered allocating greenfield sites / vacant school premises in the New Territories (45.0%) more helpful than in Kowloon (36.8%). Apart from recommending the Government to adopt measures to facilitate the provision of international school places, the Study also points out that the international schools should consider sympathetically the schooling needs of children of overseas families coming to Hong Kong for work or investment.

Complex Nature of Demand and Supply of International School Places

6. As is the case for the local school sector, the international school sector is extremely heterogeneous. Some schools are much-sought after while others are under-enrolled. Many considerations, generally referred to as parental preference, are involved. These may include, for example, the perceived quality, geographical location, curriculum and the religion / culture of the schools. The grade levels and economic vicissitudes are also relevant. The demand for international school places is highly volatile, which makes it difficult to project future demand and adjust the supply accordingly. In addition, the demand for international school places is, to a certain extent, supply-stimulated. There is also a lead time for supply to be increased.

Facilitation measures

7. In view of the findings and projection of the Study, we will implement a number of facilitation measures as detailed in the ensuing paragraphs with a view to facilitating the provision of more international school places to meet the demand especially from overseas families.

Ongoing measures

8. We will continue to support expansion plans of existing international schools. These include the redevelopment plan of the Lower Primary School and High School of the Hong Kong International School, which will result in 200 additional primary places and 300 additional secondary places; and the expansion plan of the French International School, which will provide 600 additional secondary places.

9. We have recently allocated three vacant school premises for international school development. The successful school operators will mainly provide additional places at primary level. They will together provide 1 150 additional primary places and 210 additional secondary places at the allocated premises by 2016/17. As regards the remaining premises open for application under the same School Allocation Exercise launched in 2012, we are identifying the most suitable school operator and will announce the result once available.

New facilitation measures

Enhance online resources

10. We note that a number of international schools are planning or undergoing expansion and/or redevelopment projects. To facilitate international schools to take forward their plans to redevelop or expand existing international schools, we shall set out the works and procedures involved and have such posted onto a to-be-created designated page for international schools on the Bureau's website. In addition, there would be hyperlinks to international schools. We will also explore with the schools concerned to provide information to facilitate application by overseas families.

Enlist support from existing international schools

11. We note that most international schools have yet to fill up the class to the size they propose and have spare capacity to accept more students (paragraph 3(i)(c) above refers). While we respect the operational and

admission autonomy of schools, we will appeal to the international schools, as a member of the community, to –

- (a) utilize the maximum class size so as to ensure effective use of land resources and premises especially those leased from or granted by the Government;
- (b) accord higher priority to children from overseas families who come to Hong Kong with their parents at short notice or arrive Hong Kong in the middle of the school year, and accept children from overseas families whose mother-tongue are not English; and
- (c) consider devising an allocation mechanism such that certain proportion of places in the schools would be earmarked for children whose parents are recruited or relocated from outside Hong Kong.

Allocate more vacant school premises and greenfield sites

12. We plan to allocate additional vacant school premises and greenfield sites for international school development to meet the projected shortfall. Findings of the Study reveal that there is a concentration of supply of international school places on the Hong Kong Island though a greater proportion of the students live in Kowloon and the New Territories. There are no vacant school premises and site available on the Hong Kong Island for international school development. This notwithstanding, we will proceed first with vacant school premises and greenfield sites in the New Territories and Kowloon.

13. We will engage relevant stakeholders including the District Councils especially in determining the availability of the premises and greenfield sites. Similar to previous exercises, an Expression of Interest exercise will be launched to ascertain the development needs and interests in the premises and the sites before conducting a school allocation exercise. We will announce the timing of the exercise once we have confirmed the details.

Education Bureau
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