

立法會

Legislative Council

LC Paper No. CB(4)555/12-13(02)

Ref : CB4/PL/ED

Panel on Education

Meeting on 17 April 2013

Background brief on issues related to the provision of international school places

Purpose

This paper sets out the issues of concern raised by Members about the provision of international school places in Hong Kong.

Background

Overview

2. International schools generally refer to those schools offering full non-local curricula designed primarily for non-Chinese speaking students and foreign nationals. According to the information provided by the Education Bureau ("EDB") to the Panel on Education ("the Panel") in February 2012, there were 47 international schools in Hong Kong offering a range of overseas curricula including the American, Australian, British, Canadian, French, German, Japanese, Korean, Singaporean curricula and the International Baccalaureate programme. In the 2011-2012 school year, they provided a total of around 37 000 school places (including 20 100 primary school places and 16 900 secondary school places) and one international special school. As at September 2011, some 33 000 students were enrolled in international schools, taking up about 89% of the total number of places available¹. In reply to a Member's written question on the Estimates of Expenditure 2013-2014, the Administration has provided the corresponding figures for the 2012-2013 school year. The information is at **Appendix I**.

¹ See LC Paper No. CB(2)968/11-12(03) for the Panel meeting on 13 February 2012.

3. As stated by the Government, it is committed to developing a vibrant international school sector to meet the demand for school places from overseas families living in or coming to Hong Kong for work or investment. To this end, the Administration has implemented a number of facilitation measures including the allocation of vacant school premises and greenfield sites, interest-free loans for school building and nominal rent for leasing government land or premises. Non-profit-making international schools receiving government assistance in the form of land grant or vacant school premises are required to serve mainly their target group(s) of students who should make up at least 50% of their student body. Financial assistance in the form of interest-free loans for school building may be offered to non-profit-making international school operators on an application basis. The loan, repayable in 10 years, is capped at 100% of the cost for constructing a standard-design public-sector school accommodating the same number of students.

Study on the provision of international school places

4. In late 2011, the Administration commissioned a study which aimed, amongst others, to stock-take the existing provision of international school places and project future demand and supply ("the Study"). The Study included a business survey targeting at business corporations with staff recruited or relocated from overseas. Views from individual overseas employees were also invited. The Study also included a school survey which examined the provision of school places and future expansion plans of the existing international schools. As informed by the Administration in January 2013, the Study has been completed in December 2012 and the Administration was studying its findings and recommendations to project the long-term provision and demand of international school places and to review the need for further facilitation measures. The Administration aims to report to the Panel by mid-2013².

Deliberations on issues of concern

5. The supply and demand of international school places and related issues received ongoing attention by the Panel. During the Fourth Legislative Council ("LegCo"), the Panel considered the subject at its meetings on 16 April 2009 and 13 February 2012. At LegCo meetings, questions had been raised and Members passed a related motion at the meeting of 19 December 2012.

Provision of international school places

6. The Panel noted that the availability of adequate international school places was one of the key factors which could attract multinational corporations

² See LC Paper No. CB(4)318/12-13(01) for the Panel meeting on 25 January 2013.

or overseas professionals to come to Hong Kong for investment or work. According to a former Panel member who was also a member of the Business Facilitation Advisory Committee ("BFAC") set up by the Financial Secretary, BFAC had a lot of discussion on the inadequate supply of international school places. If the shortfall remained unaddressed, Hong Kong's status as an international financial centre would be affected. Panel members considered that the shortage of international school places must be tackled in order to maintain the competitiveness of Hong Kong in terms of human capital and economic development.

7. As advised by the Administration, it had adopted the following measures to support and facilitate the development of the international school sector, as well as to increase the supply of international school places:

- (a) approving plans of existing international schools for in-situ expansion;
- (b) allocation of vacant school premises through an open and competitive bidding process to facilitate the expansion of international schools and approving applications from existing international schools for using vacant school premises as temporary decanting campuses;
- (c) allocation of greenfield sites for international schools; and
- (d) provision of capital assistance, subject to the approval of the Finance Committee, in the form of interest-free loans to non-profit-making international school operators for the construction of school buildings.

8. According to the information provided by the Administration in February 2012³, the above measures would provide a total of over 4 500 international school places progressively in the coming few years.

9. At the Panel meeting on 13 February 2012, members noted the views of deputations from various chambers of commerce and the international school sector on the provision of international school places in Hong Kong. There was a view that notwithstanding the increase in international school places in the coming years as reported by the Administration, the supply would still fall short of the demand. Members also noted that according to the research conducted by the American Chamber of Commerce in Hong Kong, the average international school openings for primary one to primary six on Hong Kong Island were only seven openings per year. Unlike the past, expatriate families

³ See LC Paper No. CB(2)968/11-12(03) for the Panel meeting on 13 February 2012.

generally stayed in Hong Kong for a longer period now because Hong Kong and the Mainland had become the core markets of many international enterprises.

10. Members were concerned about the cumbersome procedures involving a large number of government departments when international schools sought approval for expansion or redevelopment. They considered that there should be better coordination among government departments to provide one-stop service to the international school sector on school development matters. In this regard, the Panel was advised that EDB was the first point of contact in the one-stop service provided by the Administration. EDB would assist international schools in their applications to relevant departments and authorities such as the Lands Department and the Town Planning Board when their expansion plans involved changes to land use; as well as in obtaining support from the local community and the District Councils concerned.

11. Some depositions were of the view that a high-level steering committee comprising representatives from chambers of commerce and international schools should be set up to tackle the shortage of international school places. Some Panel members concurred with the need for a high-level forum at which the Administration and the stakeholders could communicate directly. According to the Administration, EDB had all along maintained dialogue with the chambers of commerce, international schools and other concerned parties and their needs were well-noted. The International Business Committee chaired by the Chief Secretary for Administration and BFAC had discussed on a number of occasions issues related to the provision of international school places. The Administration considered that these channels were effective in reflecting community views on the provision of international school places.

Mismatch between supply and demand of international school places

12. Noting that as at September 2011, only about 89% of the available international school places had been taken up, members considered that the existence of untaken places on the one hand and the many complaints about inadequate school places on the other were strong indicators of a mismatch between the supply and demand of international school places.

13. At the Panel meeting held on 13 February 2012, members noted from the depositions that the demand for lower primary school places was much greater than that for secondary school places as most of the overseas families coming to Hong Kong in recent years had small children. While there was surplus in terms of the total number of primary and secondary school places available, there was a serious shortage in primary school places. On whether it would be feasible for international schools to flexibly deploy school places at different grades, members noted from a deputation that while most international schools

adopted the conventional mode of structuring the grades according to the age of students, some international schools allowed multi-age settings where students of a wider age range would be taught in the same class.

14. Some suggestions to address the mismatch which had been put forward by members for consideration of the Administration and the international school sector included the relocation, if feasible, of the secondary section of popular international schools on the Hong Kong Island to the New Territories for the purpose of expanding their primary section in-situ.

Admission of local and non-local students to international schools

15. Concern had been raised by members about the existing arrangement under which local students could make up as high as 50% of the total student body of an international school. Some members had made the observation that while international schools should target at non-local students, many school places at international schools had been taken up by children of local wealthy families and civil servants. To a certain extent, the preference of local parents for international schools reflected the inadequacy of Hong Kong's education system. Members in general had expressed the view that the proportion of local students admitted to international schools should be lowered to enable the intake of more non-local students.

16. According to the Administration's reply to an oral question raised at the LegCo meeting of 16 March 2011, as at September 2010, only about 13% of the students in international schools were local students (i.e. those who did not have any foreign passport)⁴. The Administration also advised the Panel that the 50% was only the cap on the number of local students which an international school could admit, and should not be taken to mean that international schools had to or would allocate half of their places to local students. Members also noted from the Administration that there was a certain degree of complexity in distinguishing local students from non-local students as Hong Kong was an international city and many local residents and their children held foreign passports.

17. In response to members' suggestion at the meeting held on 16 April 2009 to review the aforesaid arrangement, the Administration considered it appropriate to maintain the student mix requirement of non-local students constituting no less than 50% of the student population for international schools provided with government assistance in the form of allocation of school sites or vacant school premises, mainly because of the need to ensure diversity in the education system and to respect the choice of local students for non-local

⁴ See the Administration's reply to an oral question raised by Hon Emily LAU at the Council meeting of 16 March 2011 on the problem of insufficient international school places.

curricula. However, on account of members' concern, the Administration advised that according to the service agreement entered into with the successful bidders of four greenfield sites allocated for international schools, most of the schools would be required to recruit a higher percentage of at least 70% of "target students" in their schools⁵. This requirement was re-stated by the Administration at the Panel meeting on 13 February 2012.

18. On a member's suggestion that consideration be given to setting aside a certain proportion of international school places to chambers of commerce, the Administration responded that according to its understanding, some international schools had launched schemes under which a certain number of school places could be reserved for employees of multinational corporations or members of chambers of commerce.

Financial aspects of the provision of international school places

19. The use of public resources to support the development of international schools was another issue of concern. Some members had questioned the justification for providing land at nominal premium and interest-free loans to the operators of international schools. As advised by the Administration, the main purpose of granting land at nominal premium to support the development of a vibrant international school sector was to attract overseas families to come to work or invest in Hong Kong. With a view to enhancing the accountability of non-profit-making international schools which had received government assistance in the form of vacant school premises or greenfield sites, the schools concerned were required to enter into a service agreement with the Government which set out, amongst others, the standard of operation and performance targets of the school as agreed with the Administration. These schools were also required to submit their audited accounts to EDB for examination on a regular basis.

20. Some members were concerned about the practice of some international schools to issue debentures for acquisition by parents in applying for admission of their children to these schools. In this connection, a motion on "reviving the quality of local education and stopping the blind industrialization of education" was passed at the LegCo meeting of 19 December 2012 urging the Government to adopt a series of measures, one of which was "to review and enhance the regulation of the mode and practices of international schools' issuance and sale

⁵ See LC Paper No. CB(2)2409/08-09(01) issued in August 2009. The overseas organization which had been allocated with the Tuen Mun site for the development of a new international boarding school had undertaken that no less than 50% of its school places would be reserved for non-local students and that no less than 50% of its boarding places would be reserved for non-local students holding student visas for entry into Hong Kong for studies.

of debentures as well as connivance of speculation in such debentures, so as to protect parents' rights and interests".

21. In its progress report in response to the aforesaid motion, the Administration stated that international schools offering non-local curricula mainly operated on the market-led principle and some of them had introduced different schemes to raise funds for their capital and development projects. The EDB had all along urged school sponsoring bodies to consult parents and stakeholders before introducing such schemes and clearly explain to them the justifications and specific arrangements. The position of the Administration was that debentures and levy were private financial arrangements between schools and parents. Since they were not mandatory, most of them would be repaid when the students left school. As noted by EDB, with the exception of a few transferable debentures, most of the debentures were not transferable and served the purpose of raising funds. The Administration also indicated that it would closely monitor the arrangements for debentures and levy in international schools.

Relevant papers

22. A list of relevant papers is in the **Appendix II**.

Council Business Division 4
Legislative Council Secretariat
11 April 2013

Appendix I

Number of international school places, number of students enrolled and vacancies in 2012-13

	Number of places		Number of students enrolled		Vacancies	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
Hong Kong						
Central & Western	1 506	2 211	1 407	2 045	99	166
Wan Chai	1 620	1 087	1 575	935	45	152
Eastern	3 872	3 129	3 267	2 435	605	694
Southern	4 413	5 802	4 189	5 290	224	512
<i>Sub-total</i>	<i>11 411</i>	<i>12 229</i>	<i>10 438</i>	<i>10 705</i>	<i>973</i>	<i>1 524</i>
Kowloon						
Yau Tsim Mong	0	0	0	0	0	0
Sham Shui Po	450	100	450	79	0	21
Kowloon City	4 088	3 272	3 552	2 923	536	349
Wong Tai Sin	0	0	0	0	0	0
Kwun Tong	560	0	384	0	176	0
<i>Sub-total</i>	<i>5 098</i>	<i>3 372</i>	<i>4 386</i>	<i>3 002</i>	<i>712</i>	<i>370</i>
New Territories						
Sai Kung	720	0	717	0	3	0
Sha Tin	900	1 224	897	1 212	3	12
Tai Po	1 475	0	1 114	0	361	0
North	0	240	0	207	0	33
Yuen Long	123	0	65	0	58	0
Tuen Mun	442	289	406	251	36	38
Tsuen Wan	0	0	0	0	0	0
Kwai Tsing	0	0	0	0	0	0
Island	961	198	821	153	140	45
<i>Sub-total</i>	<i>4 621</i>	<i>1 951</i>	<i>4 020</i>	<i>1 823</i>	<i>601</i>	<i>128</i>
Total (rounded to the nearest 100)	21 100	17 600	18 800	15 500	2 300	2 000

Notes:

- (1) Figures do not include special schools. International schools include English Schools Foundation schools but exclude special schools.
- (2) Figures refer to position as at September 2012.
- (3) Figures on places refer to the number of students that can be accommodated in operating classes (excluding vacant classrooms).

**Relevant papers on issues related to
the provision of international school places**

Meeting	Date of meeting	Paper
Panel on Education	16.4.2009	Agenda Minutes EDB(I)IS/1/08 CB(2)2409/08-09(01)
Legislative Council	16.3.2011	Official Record of Proceedings Pages 54 – 64 (Question 4)
Legislative Council	25.5.2011	Official Record of Proceedings Pages 45 – 55 (Question 6)
Legislative Council	7.12.2011	Official Record of Proceedings Pages 136 – 137 (Question 10)
Legislative Council	8.2.2012	Official Record of Proceedings Pages 75 – 81 (Question 14)
Panel on Education	13.2.2012	Agenda Minutes CB(2)1531/11-12(01)
Legislative Council	19.12.2012	Progress Report on Member's motion on "Reviving the quality of local education and stopping the blind industrialisation of education"
Panel on Education	25.1.2013	CB(4)318/12-13(01)