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**Panel on Education**

**Subcommittee to Study the Implementation of  
Free Kindergarten Education**

**Meeting on 16 December 2014**

**Background brief on issues related to  
the provision of free kindergarten education**

**Purpose**

This paper provides a summary of the major views and concerns expressed by Members on issues related to the kindergarten sector and the provision of free kindergarten education in Hong Kong.

**Background**

Overview of the kindergarten sector

2. At present, 12-year free primary and secondary education is provided in Hong Kong. Pre-primary education is provided by privately run kindergartens and kindergarten-cum-child care centres (collectively referred to as "KGs") which are registered with the Education Bureau ("EDB"). At present, most KGs offer upper kindergarten, lower kindergarten and nursery classes. According to the information provided by EDB in September 2014, the number of local KGs operating half-day classes, whole-day classes, and both half-day and whole-day classes in the 2013-2014 school year were 193(22.2%), 236(27.2%) and 440(50.6%) respectively<sup>1</sup>.

3. All KGs in Hong Kong are privately run and can be categorized as non-profit-making ("NPM") KGs and private independent ("PI") KGs depending on their sponsoring organizations which can be voluntary agencies or private enterprises.

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<sup>1</sup> See LC Paper No. CB(4)1074/13-14(01).

## Financial assistance

### *Pre-primary Education Voucher Scheme ("PEVS")*

4. The PEVS, which is non-means-tested, has been implemented since the 2007-2008 school year to ease the financial burden of parents and raise the quality of KG education. Under PEVS, every child above two years and eight months of age and attending a NPM KG charging a school fee not exceeding \$24,000 per student per annum ("pspa") for a half-day place or not exceeding \$48,000 pspa for a whole-day place is eligible for a voucher, to be redeemed by the KG concerned. In the 2013-2014 school year, the weighted average school fees charged by KGs under PEVS operating half-day classes and whole-day classes were \$21,400 and \$34,600 respectively. For local PI KGs and NPM KGs not participating in PEVS, the weighted average school fees for half-day classes were \$47,000 and \$33,000 respectively, and those for whole-day classes were \$60,000 and \$86,900 respectively<sup>2</sup>.

5. Under PEVS, the school fee to be paid by parents is the difference between the school fee approved to be charged by the KG and the fee subsidy under PEVS in that school year. The value of the voucher was first set at \$13,000 pspa in the 2007-2008 school year, and was progressively increased to \$16,800 pspa in the 2012-2013 school year. The voucher value for the 2013-2014 school year has been raised to \$17,510 pspa, with reference to the year-on-year rate of change in Composite Consumer Price Index.

6. In the 2014 Policy Address, the Chief Executive announced that the voucher value under PEVS would be increased by \$2,500 pspa in the 2014-2015 and 2015-2016 school years. The funding proposal was subsequently approved by the Finance Committee ("FC") on 21 February 2014.

### *One-off School Development Grant ("One-off Grant")*

7. Pursuant to the announcement of the Chief Executive in his Policy Address 2013, the Administration proposed in June 2013 that in the 2013-2014 school year, each KG under PEVS would be given a One-off Grant in an amount ranging from \$150,000 to \$250,000 to improve school premises, facilities and learning resources. The total amount involved for the disbursement of the One-off Grant would be about \$165 million. Each KG could spend the One-off Grant over a span of three school years and any unspent amount at the end of the 2015-2016 school year would need to be

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<sup>2</sup> See LC Paper No. CB(4)1074/13-14(01).

returned to the Government. The funding proposal was subsequently approved by FC on 5 July 2013.

*Kindergarten and Child Care Centre Fee Remission Scheme ("KCFRS")*

8. Parents who are financially in need may apply for additional financial assistance under KCFRS when their children are enrolled in a KG eligible for PEVS. If the fee subsidy from PEVS is inadequate to cover the tuition fees charged by the KG, parents may apply for additional assistance under KCFRS. Those who pass the means test will be provided with fee remission with reference to the level of assistance they are assessed to be eligible for. It was also announced in the 2014 Policy Address that the fee remission ceiling would be lifted to help needy families. The funding proposal was subsequently approved by FC on 21 February 2014.

Committee on Free Kindergarten Education

9. On 8 April 2013, EDB announced the establishment of the Committee on Free Kindergarten Education ("the Committee") and appointed Dr Moses CHENG as its Chair. Also appointed to the Committee were 19 members including representatives of the kindergarten sector, school sponsoring bodies, a teacher education institution, the Education Commission, a teacher and parents as well as lay members and a representative from EDB. It was hoped that the Committee could complete its tasks in two years and make concrete recommendations to EDB. During this period, the Committee will explore short- and medium-term measures to render assistance to the kindergarten sector. The government will actively consider providing support accordingly.

10. Five subcommittees have been formed under the Committee to study specific areas. They are -

- (a) Subcommittee on Objectives, Teacher Professionalism and Research;
- (b) Subcommittee on Operation and Governance;
- (c) Subcommittee on Funding Modes;
- (d) Subcommittee on Catering for Student Diversity; and
- (e) Subcommittee on Communication Strategy.

11. In December 2013, the Committee submitted a progress report and made recommendations to the Government on short-term support measures, including the proposed increase of the voucher subsidy of PEVS by \$2,500 pspa in the next two school years.

### **Deliberations on relevant issues**

12. Issues related to the kindergarten sector and the provision of 15-year free education have received ongoing attention by the Panel on Education ("the Panel"). After the commencement of the Fifth Legislative Council, the Panel held special meetings to receive views from over 130 deputations on the subject of free kindergarten education. The Panel had been briefed on the work of the Committee. Members had also discussed with EDB the related subject of the supply of and demand for kindergarten places.

### **Implementation of free KG education**

13. In his 2013 Policy Address in January 2013, the Chief Executive announced that EDB would set up a committee to examine the feasibility of free KG education and recommend specific proposals to enable all children to have access to quality KG education. Some members questioned whether the setting up of a committee was merely a tactic to delay or even shelve the implementation of free KG education. The Administration assured members that providing practicable 15-year free education and better quality KG education was one of the priorities of the current-term Government. However, owing to the huge diversity among KGs and the different views and expectations of the stakeholders, the Administration considered it prudent to set up a committee to examine the matter to ensure that the related measures would not affect the flexibility of the KG sector and its provision of diversified services for parents.

14. The Panel shared the broad consensus of the deputations that 15-year free education should be implemented without further delay. Some members held the view that kindergarten education should be regarded as part of basic education. The Administration was urged to consider the views and concerns raised by deputations and members, notably the following -

- (a) the current PEVS should be replaced by subsidized KG education. However, PI KGs should be allowed to continue their operation in order to provide choices to parents;

- (b) a salary scale for KG teachers should be put in place in order to stabilize the KG teaching force and give due recognition to experience and qualifications;
- (c) different levels of subsidy for attendance at half-day KGs and whole-day KGs should be provided;
- (d) to ensure quality education, the teacher-to-student ratio at KGs should be 1:10 for the age group of two to four years; and 1:15 for the age group of four to six years;
- (e) teaching and administrative support should be strengthened so that KG teachers could be relieved of their administrative duties and focus on their professional role;
- (f) more local researches should be conducted on early childhood education and the development of appropriate teaching and learning resources should be strengthened;
- (g) a quality assurance mechanism should be put in place with a view to developing the self-assessment capability of KGs; and
- (h) in the interim, consideration should be given to raising the value of the vouchers under PEVS so as to alleviate the financial burden on parents.

#### Concerns about the work of the Committee

15. Query was raised about the membership of the Committee and its subcommittees and whether stakeholders had been adequately represented. For instance, some members pointed out that parents and lay members vastly outnumbered KG teachers, as there was only one KG teacher on the Committee and on each of its subcommittees. There was a suggestion that more frontline KG teachers should be appointed to the Subcommittee on Objectives, Teacher Professionalism and Research, and to the Subcommittee on Catering for Student Diversity.

16. According to EDB, members had been drawn from a wide spectrum of sectors including management, accounting and the media so that the Committee and its subcommittees could benefit from their respective expertise. Where necessary, relevant stakeholders would be invited to participate in focus group discussions to give their views. The Administration took note of members' view on strengthening the participation of KG teachers in the review.

17. Some members were concerned about the lack of transparency in the work of the Committee and its subcommittees, as their discussion papers and deliberations were kept confidential. They considered such arrangements not conducive to facilitating informed public discussion. The Administration's view was that as deliberations were underway, it might be premature to disclose details at this stage. It was necessary to strike a balance between keeping the public informed and ensuring the efficient conduct of the Committee's work. Where appropriate, the Committee or its subcommittees would issue post-meeting announcements.

18. When the Panel received updates on the progress of work of the Committee in the 2013-2014 session, some members considered that there was a lack of substantive work progress. They were concerned about the timetable for completion of the Committee's work and whether free KG education could be implemented within this term of Government, i.e. by mid-2017.

19. As explained by the Administration, due to the intricacy of the issues involved, the Committee would take about two years to complete its tasks and make recommendations to the Government. At the Panel meeting held in July 2014, members noted that according to the Administration, the Committee's plan to submit its report to the Government for consideration in mid-2015 had remained unchanged. Meanwhile, pending completion of its study, the Committee would explore and propose short- and medium-term measures to help kindergartens meet their imminent challenges. Where appropriate, the Administration would actively consider providing support.

20. Some members considered it necessary for the Committee to conduct public consultation before finalizing its report. The Administration advised that starting from September 2014, the Committee and its five subcommittees would solicit views from stakeholders on themes/topics under their respective terms of reference.

#### Consideration of PEVS by the Public Accounts Committee ("PAC")

21. The Audit Commission conducted a review of the kindergarten services administered under PEVS and its observations were set out in Chapter 3 of the Director of Audit's Report No. 60 tabled at the Council meeting on 17 April 2013. After examining the relevant chapter, PAC published its conclusions and recommendations, which were contained in Chapter 3 of Part 4 in PAC Report No. 60 tabled at the Council meeting on 10 July 2013.

22. PAC considered that PEVS had not fully achieved its objective to alleviate parents' financial pressure. It had identified a number of issues arising from the administration of PEVS which required follow-up actions. For instance, there should be a suitable mechanism for upward adjustment of the voucher value under PEVS to take into account factors such as rentals and rise in salaries to attract and retain quality staff. Otherwise, PEVS KGs might opt out of PEVS. It was noted that the number of KGs not participating in PEVS had increased from 146 in 2007-2008 to 222 in 2012-2013. Besides, 14 KGs would opt out of PEVS in 2013-2014. PAC also expressed serious concern that the percentage of students receiving fee subsidy under PEVS had dropped from 86% in 2007-2008 to 79% in 2012-2013.

23. On disclosure and transparency, PAC found it unacceptable that as revealed in the Audit Commission's survey, 60% of the miscellaneous fees charged by PEVS KGs were not disclosed in the KG Profile issued by EDB. Hence, parents might not be aware of the full costs when enrolling their children in the PEVS KGs.

24. PAC urged EDB to take into account the recommendations in the Director of Audit's Report and take steps, until the Committee had come up with recommendations on free KG education, to enhance PEVS in the interim period, so as to ensure that PEVS continued to be effective in meeting the expectations of stakeholders.

#### Issues related to whole-day KGs

25. Many Panel members were concerned about the operating difficulties faced by whole-day KGs, particularly those KGs operating long hours ("long whole-day KGs"). They urged the Administration to provide long whole-day KGs with a higher rate of voucher subsidy than their half-day counterparts. There was a suggestion that the Administration should formulate ways to address the high operating costs of whole-day and long whole-day KGs.

26. The Administration advised that the Committee and its subcommittees were aware of the operating needs of whole-day and long whole-day KGs, and would need to examine relevant issues holistically before formulating the way forward. As regards support for whole-day and long whole-day KGs, it highlighted that the increase in voucher subsidy of PEVS by \$2,500 pspa in the 2014-2015 and 2015-2016 school years would benefit all KGs under PEVS.

27. Members were also concerned that as many working parents sent their children to whole-day KGs, the Administration should introduce immediate measures to meet the keen demand for whole-day and long whole-day KG places, particularly in districts such as Sham Shui Po and Kwai Chung. In this connection, EDB informed members that about 43 400 students were attending whole-day KGs under PEVS, and over 21 000 of these students were enrolled in long whole-day KGs. The Committee would examine ways to meet the demand for whole-day and long whole-day KG places while ensuring the quality of education.

#### Other support for pre-school children

28. Members were concerned about the support, if any, provided to students with special educational needs ("SEN students") attending KGs, as neither the progress report of the Committee nor the short-term support measures had addressed this issue. There was a suggestion that consideration should be given to providing additional subsidy to enable KGs to create an in-house SEN coordinator post to oversee and coordinate the support services for SEN students. Members were also concerned whether the integrated programmes providing rehabilitation services for children with mild disabilities aged two to six in KGs, which were currently administered by the Social Welfare Department, would be included as part of free KG education, and whether the places of these integrated programmes would be increased.

29. According to the Administration, relevant issues related to learner diversity and support for SEN students were being studied by one of the subcommittees under the Committee. EDB had been working closely with other bureaux/departments, including the Labour and Welfare Bureau and Department of Health, to provide appropriate assistance and support to children with disabilities and SEN.

30. On whether a policy to facilitate the integration of non-Chinese speaking ("NCS") students into local KGs and their transition to primary schools would be formulated, the Administration took note of members' concern and advised that issues related to the support for NCS students were being examined by the Committee as well.

#### Salary scale and professional upgrading of KG teachers and principals

31. The Panel shared many deputations' concern about the abolition of the Recommended Normative Salary Scale upon the introduction of PEVS, thereby allowing KGs full discretion to determine the salaries for their teachers. In its Report No. 60, PAC also expressed serious concern and



found the arrangement unacceptable<sup>3</sup>.

32. The Panel noted that as recommended by the Education Commission in its review report in 2010, an advisory body should be set up to look into longer-term issues such as a reference salary scale for KG teachers and principals<sup>4</sup>. Members generally considered that a normative salary scale for KG teachers was essential for maintaining a stable and quality pre-primary education workforce, as well as enhancing the quality of pre-primary education. They urged the Administration to formulate a salary framework for KG principals and teachers in parallel to the requirement to raise their qualifications by phases. They also highlighted the need for the Administration to plan ahead to ensure an adequate supply of trained teachers if it was contemplated that the existing teacher-to-student ratio would be improved. The Administration took note of members' views for further consideration by the Committee.

33. On professional upgrading, the Panel noted that according to the provisional figures provided by EDB in reply to a written question by Dr Hon Kenneth CHAN at the Council meeting on 6 February 2013, in the 2012-2013 school year, 3 471 KG teachers possessed a Bachelor degree in Early Childhood Education or relevant qualifications and 6 411 teachers possessed the Certificate in Early Childhood Education.

#### KG admission arrangements and provision of KG places

34. The Panel was fully aware of the panic of parents over securing a KG place for their children, particularly in the North District and Tai Po, and discussed with the Administration issues related to the supply of and demand for KG places at a special meeting held on 28 October 2013. According to EDB, for the 2014-2015 school year, there would be a projected supply of 241 000 KG places in all districts to meet a projected demand of 168 000 places. A more realistic projection on the overall supply and demand of KG places for the 2014-2015 and 2015-2016 school years could be made when the actual 2013-2014 KG enrolment information was available in February 2014. According to the Administration, the number of babies born in Hong Kong to Mainland women had reached its peak in 2011 and started to drop in 2012. EDB expected that the demand for KG places from cross-boundary students would decline progressively after 2016.

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<sup>3</sup> Please see "Conclusions and recommendations" in Chapter 3 of Part 4 of PAC Report No. 60.

<sup>4</sup> The report was submitted to the Administration in December 2010 and is available on the Education Commission's website at <http://www.e-c.edu.hk>.

35. Members noted that to address parents' concerns about KG places in Tai Po and the North District, the Administration implemented six special temporary measures to improve KG admission procedure and to better utilize the KG places within the districts. At the meeting on 28 October 2013, the Panel passed a motion urging EDB to, amongst others, improve the admission mechanism of KGs, ensure the admission of children to KGs near their homes and implement 15-year free education as soon as possible.

36. At the meeting on 10 February 2014, members noted a basket of measures proposed by the Committee to improve the KG admission arrangements. While welcoming the measures to be implemented in KGs under PEVS to ensure that each child would only hold one KG place instead of multiple places, members considered it necessary to extend similar admission measures to non-PEVS KGs. According to the Administration, it would encourage non-PEVS KGs to adopt similar measures and would discuss with them the necessary administrative arrangements.

#### Premises of KGs

37. Members drew the Administration's attention to the need to take immediate action to address the KG sector's need for school premises, and to proactively explore the feasibility of co-location of KGs and primary schools.

38. The Administration advised that currently, all KGs were privately run and there was considerable variation in their accommodation arrangements. KGs might operate in self-acquired premises, in privately leased premises, in public housing estates or in premises owned by their school sponsoring bodies. The feasibility of various suggestions including providing rental subsidy and co-location of KG and primary school would be looked into by the Committee.

#### **The way forward**

39. To examine and monitor the progress in taking forward free KG education, the Panel agreed at its meeting on 14 April 2014 to set up a subcommittee to study the implementation of free KG education.

**Relevant papers**

40. A list of the relevant papers on the Legislative Council Website is in the **Appendix**.

Council Business Division 4  
Legislative Council Secretariat  
4 December 2014

## Relevant papers

Committee	Date of meeting	Paper
Panel on Education	17.12.2010 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">Report on Review of the Pre-primary Education Voucher Scheme</a>
Panel on Education	13.6.2011 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">CB(2)2513/11-12(01)</a>
Finance Committee	8.7.2011 (Item No.5)	<a href="#">FCR(2011-12)38</a> <a href="#">Minutes</a>
Legislative Council	28.11.2012	<a href="#">Official Record of Proceedings</a> <a href="#">Pages 91 – 93 (Question 18)</a>
Panel on Education	25.1.2013	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">CB(4)318/12-13(01)</a>
Legislative Council	6.2.2013	<a href="#">Official Record of Proceedings</a> <a href="#">Pages 92 – 97 (Question 13)</a>
Panel on Education	19.3.2013	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">CB(4)486/12-13(01)</a>
Panel on Education	26.3.2013	<a href="#">Agenda</a> <a href="#">Minutes</a>
Legislative Council	17.4.2013	<a href="#">Chapter 3 of Report No.60 of the Director of Audit</a>
Legislative Council	17.4.2013	<a href="#">Official Record of Proceedings</a> <a href="#">Pages 11 – 13 (Question 1)</a>
Panel on Education	10.6.2013 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">CB(4)756/12-13(01)</a>

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Education	9.7.2013 (Item II)	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">CB(4)852/12-13(01)</a>
Legislative Council	10.7.2013	<a href="#">Chapter 3 of Part 4 of Public Accounts Committee Report No. 60</a>
Panel on Education	28.10.2013	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">CB(4)80/13-14(01)</a> <a href="#">CB(4)210/13-14(01)</a>
Panel on Education	27.1.2014	<a href="#">Agenda</a> <a href="#">CB(4)323/13-14(01)</a>
Panel on Education	10.2.2014 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Education	14.4.2014 (Item VII)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Education	16.7.2014 (Item III)	<a href="#">Agenda</a> <a href="#">CB(4)913/13-14(01)</a> <a href="#">CB(4)1074/13-14(01)</a>

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