

For information on  
16 March 2015

**Panel on Education**  
**Subcommittee to Study the**  
**Implementation of Free Kindergarten Education**  
**Premises-related issues**

**Purpose**

This paper provides the present situation and the initial views of the Committee on Free Kindergarten Education (the Committee) on the premises-related issues.

**Present Situation**

2. All kindergartens (KGs) are privately run. They are operated in different types of school premises and the rental costs vary considerably. Some KGs are located in Government-allocated premises in public housing estates, and others in private premises such as commercial buildings, church or private sites owned by school sponsors.

3. At present, should there be any new public housing estates or large scale residential development projects, the Planning Department (PlanD) will reserve sites for educational services upon the advice of the Education Bureau (EDB), taking into account the requirement stipulated in the Hong Kong Planning Standards and Guidelines<sup>1</sup>. The PlanD will then follow up with the Housing Department or the private developers about the inclusion of the required educational services in the proposed development. For available KG premises in public housing estates, there is an established mechanism for their allocation. KGs allocated through the School Allocation Committee (SAC) will need to pay rental costs as stipulated in the tenancy agreement. As for private

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<sup>1</sup> According to the Hong Kong Planning Standards and Guidelines, the standard for nursery classes and kindergartens should be 730 half-day and 250 full-day places for every 1 000 children in the age group of 3 to under 6.

development, the developer will rent the KG premises to operators on its own.

4. To alleviate non-profit-making (NPM) KGs' rental-related expenditure, the EDB has been administering a rent reimbursement scheme since 1982. All applications for rent reimbursement will be considered on their individual merits based on a set of prescribed criteria and subject to the condition that there is a proven demand of KG places in the district. In essence, the relevant considerations are as follows:

- (a) Eligible KGs have to fulfill a set of eligibility criteria which include being NPM KGs, having satisfied the requirement of a proven demand for KG places in the district concerned, charging school fees at a level below a cut-off point to be determined by EDB and having an average rental below a cut-off rate determined by EDB.
- (b) A two-year monitoring mechanism is in place to assess if KGs will continue to be eligible for rent reimbursement.
- (c) The amount of reimbursement is based on assessment by the Rating and Valuation Department, and determined by the KGs' fill-up rate. KGs will receive full reimbursement for a fill-up rate of 50% or above, or receive only 50% reimbursement for a fill-up rate below 50%<sup>2</sup>.

5. With regard to the premises and facilities, there are stipulated requirements in the Operation Manual for Pre-primary Institutions (Manual) on the premises design (such as location, maximum height and space), furniture and equipment, safety measures, health, sanitation, etc. The Manual, completed in 2006, is revised on a need basis with reference to changes in legislation, rules and regulations upon advice by the respective departments.

6. To enhance the quality of KG education while at the same time maintain its affordability to parents, the EDB provided an one-off grant to KGs under the Pre-primary Education Voucher Scheme in 2013/14

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<sup>2</sup> New KGs with their school premises allocated by the SAC are eligible for full rent reimbursement in the first three-year tenancy agreement regardless of their rental cost and fill-up rate.

school year. The grant helps improve KGs' premises and teaching facilities. The long whole-day KGs can also apply for funds under the Lotteries Fund via the Social Welfare Department to meet non-recurrent expenditure such as renovation and purchase of furniture and equipment.

## **Deliberations and Views of the Committee**

7. The Committee has discussed various issues related to the rents and premises of KGs. Two consultancy studies have been commissioned to study the rental and accommodation issues. While the consultants will submit their reports with recommendations to the Committee by end March 2015, the initial views of the Committee based on the relevant information available so far are set out in the ensuing paragraphs.

### *Rental Subsidies*

8. The Committee notes the significant variation of rental charges among KGs and acknowledges that the great diversity in rental expenses among different KGs is a critical issue to be addressed in the implementation of free KG education. (For example, in the 2013/14 school year, the amount of rent reimbursed by one of the KGs was \$3,100 per month but the reimbursed rent reached \$141,500 per month for another KG in the same district.)

9. With the guiding principles that any rental subsidy scheme should be financially sustainable and there should be proper use of public funds, the Committee comes to a view that there should be a ceiling on the amount of subsidy to be provided for each eligible KG. Some KGs that operate in commercial premises will pay extra rental expenses on top of the rental subsidy provided by the Government, if any. Parents may have to pay the extra tuition fees imposed resulting from this. Also, the Committee opines that the Government should make efforts to lessen the KGs' rental-related financial burden. The prevailing requirement of having proven demand in the district should be relaxed so that more KGs can benefit from the rental subsidy.

10. With regard to the level of subsidy, there are views that the actual amount of rental subsidy for a KG should continue to be determined

based on the KG's fill-up rate in terms of student enrolment and classroom capacity. In order to ensure prudent use of public money, consideration may be given to introducing more tiers of rental subsidy according to different fill-up rates.

### *Provision of Premises and Facilities*

11. While recognizing the scarcity of land in Hong Kong, the Committee would like the Government to consider if the physical accommodation and facilities of KGs can be enhanced with a view to providing a more conducive environment for children's learning and development. In the long run, the Government can consider measures to provide more supply of KG premises. The Committee is of the initial view that some measures can be explored to increase government-owned KG premises in public housing estates, including setting aside adequate sites for KG use in new towns with new demand or making available KG sites for re-provisioning of existing sub-standard KGs in aged districts or areas. The feasibility of similar arrangements in private housing estates might also be explored. Some have also suggested exploring the possibility of co-location of KGs and primary schools, either in existing primary school premises or in new schools. To render support to KGs without proper or adequate facilities, there are views that the Government might explore feasibility of setting up regional resource centres for use by KGs in order to provide a safe education environment and a variety of activity-based learning activities for children. In addition, the Committee proposes that the planning standards for whole-day KG places be reviewed when space is allocated for establishing KGs in housing estates and large-scale private development projects to increase provision of such places to meet the increasing demand.

12. There are significant disparities in KGs' accommodation and school facilities. The Committee notes the importance in accommodation and school facilities enhancement for effective children learning and development. As long-term targets, the Government might explore increasing the indoor area for each child so as to secure more spacious environment for children's physical activities and learning. To cater for the diversified services for KGs, there are views that the design of KG premises can be flexible to meet the varied operational needs and to facilitate the student learning activities. The Committee also

considers it favorable to include some core facilities which are essential to KG operation or student learning in the future design of KGs. While the desirable KG accommodation and facilities are the long-term targets, the Government might also explore the feasibility of some improvement measures in the mid-term.

### **Views Sought**

13. Members are invited to note the content of this paper.

Education Bureau  
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