

For information  
10 April 2006

**Legislative Council Panel on Education**  
**Kindergarten and Child Care Centre Fee Remission Scheme**

**Purpose**

This paper provides information to address Members' concerns over "Social Needs" test for the Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS) implemented from the 2005/06 school year.

**Background**

2. Upon harmonisation of pre-primary services, the ambit of the former Kindergarten Fee Remission Scheme (KGFRS) was expanded to cover all eligible children receiving pre-primary services, including those originally covered by the Child Care Centre Fee Assistance Scheme (CCCFAS), which is being phased out. KGFRS was re-named as KCFRS from the 2005/06 school year.

*Means-tested Mechanism*

3. The eligibility criteria for remission of fees under the KCFRS are considered appropriate and reasonable. Under KCFRS, low income families can be eligible for 100%, 75% or 50% fee remission. The three levels of assistance and a common means-tested mechanism of the KCFRS can ensure that no children would be deprived of education and care due to lack of means. Moreover, the means-tested mechanism of KCFRS is a common mechanism for all other means-tested student financial assistance schemes, covering the pre-primary, primary, secondary and university education sectors.

4. In order to ensure that no CCCFAS and KGFRS recipients (i.e. those who received subsidy under the respective schemes in the 2004/05 school year) would be worse off, a transitional arrangement, the "no

worse-off” principle, has been applied to these recipients until the children concerned proceed to primary schools.

*“Social Needs” Test*

5. At the age of 3 to 6, there is no educational basis to support whole-day schooling. The provision of full-day kindergartens and child care centres is to add further care in response to social needs or parental choice. It was hence recommended in paragraph 5.13 of the Consultation Document, **‘Working Party on Harmonisation of Pre-primary Services’**, in April 2002 that “From an educational point of view, a half-day KG programme will suffice for children aged 3 to 6. The assistance for these children should therefore be calculated on the basis of the school fee for half-day KGs. The purpose of a full-day programme is to add care elements in response to social needs or parental choice. The full-day rates of fee remission for KG pupils should only be payable when the families have also passed a social need test.” This recommendation was put forward for consultation during the consultation meetings with the sector and the public, and also in the Education Panel meetings on 13 February 2003 and 14 March 2005. This recommendation, among other proposals of revision, was approved by the Finance Committee on 24 June 2005.

6. The “Social Needs” test has all along been used by the Social Welfare Department (SWD) in assessing the eligibility of applicants for CCCFAS since the early 1980s. Upon harmonization of pre-primary services, the same “Social Needs” test is adopted in KCFRS to cover all eligible children attending KGs and child care centres (CCCs). They are no more or less stringent than before. Applicant families must pass the test to qualify for full-day class fee remission. Otherwise, pupils attending a full-day KG class can only apply for remission at the half-day session rate whereas children attending a full-day CCC will be ineligible for any fee remission. This is to ensure that only applicant families with genuine needs are eligible for financial assistance to cover the full-day services received by their children. The details of the “Social Needs” requirements are at Appendix.

7. Following the inclusion of the “Social Needs” test in the KCFRS, some parents and operators of pre-primary sector have raised concerns, as follows:

- (a) Some parents consider it more beneficial for their children to attend

full day classes because they lack the parenting skills necessary to look after and guide them at home. They consider the “Social Needs” test to be an additional test imposed on low-income families that need full-day pre-primary services. They demand that this “Social Needs” test be removed.

- (b) Although the “Social Needs” test has been adopted in CCCFAS for many years, it begins to be used in the KCFRS from the 2005/06 school year. Some applicants are not familiar with the “Social Needs” test and cannot provide the required supporting evidence when they submit applications for the first time. For instance, some believe that they could pass the test if either one of the parents is in employment. As a result, some failed the test.
- (c) Some pre-primary operators complain that Student Financial Assistance Agency (SFAA) is strict when comparing the SFAA’s assessment of “Social Needs” with those of SWD for CCCFAS, although the SFAA is using the same set of assessment criteria adopted by the SWD in conducting the “Social Needs” test.

8. Being aware of the concerns raised by the pre-primary sector and applicants, the Joint Office for Pre-primary Services (JOPS), SWD, SFAA held a meeting with representatives from the pre-primary sector to discuss the issues. As a follow-up of the meeting, JOPS and SFAA held a briefing session on 22 February 2006 for all KGs and CCCs to clarify the details of KCFRS. Upon request of the pre-primary sector, SFAA has agreed to review the relevant application guidelines and elaborate on the supporting documents required to prove the applicant’s “Social Needs”.

## **Way Forward**

9. In view of the sector’s concerns, we plan to further improve the procedures of KCFRS as follows:

- (a) According to Category 7 of the social needs assessment criteria, applicants will be accepted as passing the “Social Needs” test if their social needs are supported by registered social workers. Some applicants would need recommendation of social workers if they have difficulty in expressing their social needs or their

situations are special. To facilitate applicants' easy access to the assistance of registered social workers in this respect, it has been arranged that SWD's Integrated Family Service Centres will assist in assessing the social needs of applicants where necessary.

- (b) In the light of actual experience gained in the 2005/06 school year, SFAA will refine the handling procedures such that all necessary requirements and supporting papers and noteworthy points for passing the "Social needs" test are to be spelt out in clear terms to applicants of full-day remission.
- (c) Where justified, EMB is prepared to review the existing "Social Needs" criteria in the light of changing social circumstances.

**Education and Manpower Bureau**  
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