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From: Nick Bilcliffe <[REDACTED]>  
Date: 06/17/2013 11:51PM  
Subject: Submission to the LegCo Panel on Education  
(See attached file: *Submission to the LegCo Panel on Education 1.pdf*)

Dear Sir,

I understand the Education Bureau is bringing the matter of the English Schools Foundation (ESF) subvention before the Education Panel of the Legislative Council during July of this year. I will unfortunately be away from Hong Kong at that time, but wished to ensure that views other than just those of the Bureau and ESF management are heard since neither of these groups will be the ones to suffer if the subventions is lost, it will be ordinary citizens!

I would appreciate it if you could not only review this paper when considering LegCo's position, but also make the submission available by way of standard disclosure to the general public and include it in the bundle of papers for the record.

Yours faithfully,

Nick Bilcliffe  
20-year Permanent Resident

Sent from my iPad

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Submission to the LegCo Panel on Education 1.pdf

**Submission to the LegCo Panel on Education**  
**The English Schools Foundation – Subvention & its place within Hong Kong’s**  
**Educational Provision**  
**13<sup>th</sup> June 2013**

**Preamble**

I am making this submission on behalf of the thousands of Hong Kong citizens who have been and will continue to be disadvantaged by the decisions of a small, unrepresentative group of people who have nothing to lose. I would ask only that you take the time to read this document and weigh it alongside those of the vested interest groups from business, the English Schools (ESF) Management and the Education Bureau (EDB – or its predecessors) when considering whether to accede to the proposal before you.

**Declaration of Interests**

- I was involved with the ESF for eleven years from September 2000 to June 2011;
- I held a number of positions during that period including:
  - PTA Chair at Kennedy School and through that, ex-officio roles on the Kennedy School Council, the Joint Chairs of the PTA (JCPTA) and the Foundation;
  - Vice Chair of the Governance & Restructuring Committee tasked with reviewing the structure of the Foundation and rewriting the ESF Ordinance;
  - Elected Parent Member of the inaugural ESF Board and through that, ex-officio roles on the Committee of Parents, the Nominating Committee for Independent Board members, the School Council appointments sub-committee, the Subvention Sub-committee and a series of appointment panels.
- My attendance and engagement record for meetings was consistently among the best in the Foundation although my views were not always welcomed by those with a different agenda.
- Throughout my tenure on the Board I maintained an almost constant dialogue with a variety of stakeholder groups so as to ensure I was able to present the, at times conflicting, views of the ESF community and provide context and background information.
- I no longer have any education connection with the ESF, my daughter having left the system for further education in the UK and I have no other children who could attend in the future.
- I do not and have never had business dealings with the ESF or ESF Educational Services.
- I have no relatives engaged by or engaged in business with the ESF or ESF Educational Services.

- Over the period of my involvement with the ESF I engaged in dialogue with a number of Education Bureau officers including Professor Arthur KC Li, and with a number of Legislators on a variety of issues, frequently involving ESF funding either relating to the Subvention or Capital Works.
- I do not and have never received any form of financial or other benefit as a result of my involvement with the ESF.

## Conclusions

1. If all are equal before the law in Hong Kong how does a “parity of subsidy” principal that was applied to ESF fail the fairness test?
2. Certain EDB officers are executing an agenda to make ESF less and less affordable for those Hong Kong residents that need and desire it and in doing so driving it away from its laudable core objectives and into the International school financial model. This model is ill-suited to serve the vast majority of Hong Kong citizens and it is future parents that will pay the price not the current ones who have been mostly silenced by a promise of short term security.
3. This agenda seems particularly disingenuous considering in 2012 some 66% of civil servants were eligible for the government’s overseas education allowance where up to 90% of tuition and boarding costs may be met.<sup>[1][2][3]</sup> It should be noted that this system, introduced in 1964 was extended to locally employed officers in 1972 on “parity” grounds! A familiar phrase when talking about the ESF position, but one that EDB has chosen to dismiss as no longer relevant. In 2006-07 the overseas funding is quoted as HK\$544m, it fell to HK\$500m in 2007-08 and HK\$369m in 2008-09 when just 3,202 children were educated compared with an ESF subvention of HK\$283m to cover 13,000 children. Of course children of civil servants may be funded in Hong Kong schools as well under the “local education allowance” where the approved list includes ESF and some 34 International schools.
4. If the subvention is removed and with it capital funding support for ESF five things will happen:
  - a. Government will lose all ability to maintain affordable English language education outside the standard and DSS schools;
  - b. ESF fees will inexorably rise, first to cover the loss of subvention, then annual salary and benefit rises, then capital costs for school refurbishments and replacement;
  - c. At a substantially higher fee level ESF will be directly comparable with the major International schools, in order to retain students they will be pushed towards matching class sizes (30 down to perhaps 24) and improving/updating facilities (Peak School was built in 1954).

- d. With no government support the responsibility for, and cost of, capital works falls essentially on the current and future parents, many of whom choose ESF because they can't afford the major International schools.
- e. The legacy of this government will be of disenfranchised permanent residents and inequality before the law. Interestingly Chief Executive C.Y. Leung stated: "I support continued subvention to ESF to enable it to fulfill its duty of providing affordable English-language education for non-Chinese-speaking children in Hong Kong". Whilst Albert Ho C.Y., Regina Ip L.S.Y. and Henry Tang Y.Y. all pledged to continue support for the ESF. <sup>[4]</sup>

I hope this panel will weigh all the factors and make the right, not simply the easy decision for future generations of Hong Kong permanent residents.

### **The History**

I will not dwell on this as the story is well known if not always well understood, but would just make these five points:

- The original intent was to provide an affordable education for those residents who were unable to access or would struggle to cope with teaching in Cantonese.
- Realizing that there would be additional costs from employing suitable teaching staff the Colonial Government introduced the "parity of subsidy" principle whereby ESF children would receive the same funding (no more, no less) as they would have received for attendance in a standard government school.
- ESF schools were not specifically created for high level Colonial Government officials, their children were frequently schooled overseas as indeed many senior officials' children still are. ESF schools were for Hong Kong residents who couldn't afford overseas schooling or chose to keep families together.
- The ESF was not created as an International School system; it was created by Ordinance as part of the fabric of the Local Education system, two sides of a single coin to serve the needs of Hong Kong people.
- A quick look at the alumni of ESF reads like a who's who of both long-term non-Chinese contributors to Hong Kong's prosperity and influential Chinese members of society. ESF has served Hong Kong well and should continue to do so, but the removal of subvention will change not only the funding model, but also the very essence of the system and destroy any last vestige of affordability for many.

## **The start of the recent problems**

Ironically I was one of a very small group on the inaugural Board that had any personal knowledge and experience of the early post-handover period, of the alleged reasoning behind the initial “freezing” of the subvention and the “confusion” between EDB and ESF over its nature and duration. What I can say is that to the best of my knowledge the “deal” struck between EDB and the some Executive Committee members was not discussed or voted on at Foundation level. The details were not made available to stakeholders by either ESF management or EDB so those most affected by the decision were disenfranchised.

It should be recorded that before the creation of the inaugural Board the ESF was run by an Executive Committee of nine that included representation from EDB, thus making the Bureau an integral part of the successes and failures, the good decisions and the bad. Whilst EDB may say they had no control it ill-behoves them to suggest that they had no knowledge because to do so would imply negligence in their fiduciary capacity. Indeed Professor Li stated in a speech on the 10<sup>th</sup> January 2005

*“For historical reasons, the Education and Manpower Bureau (EMB) has one representative on the ESF Executive Committee. This is a unique arrangement, not repeated in other school sponsoring bodies receiving government subvention. The purpose is for liaison and advice. Indeed, it is an established and widely-accepted policy that the administration should refrain from micro-management.”*

The speech deals in some depth with the issue of management decisions and the availability or more importantly lack of information at both the Executive Committee and Foundation levels. I find the talk of “micro-management” odd in this context since my humble view would be that if management were uncooperative regarding important items the duty would be to call for a full Foundation meeting where the ultimate governing body could demand full disclosure.

## **The questions we need to ask about the ESF**

1. There’s always a great deal of talk about “Colonial legacies”, but what are we really talking about? If anything created during a colonial period is defined as wrong or unacceptable then we need to throw out our entire political, financial, and legal systems and our civil service. I don’t think that is practical or sensible and these systems are protected under the Basic Law provisions, yet EDB seem to consider these do not apply to established parity within education.
2. So where does that leave ESF? The Foundation would tell you that about 70% of students are acknowledged as entitled permanent residents (the figure may be higher), the ESF figures on ethnic breakdown are considerably less transparent in my opinion,

but a simple walk through many schools will confirm the vast majority are Asian students (not Western “expats”) and predominately of Chinese origin.

3. Having accepted the bulk of students are permanent residents, what are they all entitled to? 12 years since 2009? Does that vanish if you decide the system that’s offered really doesn’t help you to thrive educationally because you’re not equipped to study in Chinese or as many Cantonese speaking parents have, that rote learning is not the educational route they wish for their children?
4. What is the cost to government? Well currently (and for the past 13 years) it has cost the government far less to educate ESF children than any child in a government school. Why? Because when the subvention was frozen it was based on two criteria, numbers in the system and subsidy per child. ESF has increased its numbers by about 30% (an effective cut per child of 20-25% as the subvention is shared) and the freeze has meant that over time a government school child has reached a point where they now get around 30% more subvention than the frozen figure, Currently the ESF subvention value equates to the HK\$20-25,000 range, whilst interestingly current figures for DSS schools appear to range from HK\$40,332 to HK\$47,098<sup>[5]</sup>, almost twice the current ESF figures. The ESF costs less than 0.4% of the annual education budget in Hong Kong, a cost comparable with that of building one government secondary school.
5. Certain of the Chambers of Commerce have pushed hard for provision within the ESF system for the children of incoming business people, is that the role ESF should take on? I am not convinced it is a priority, I believe the first priority should be to children already resident in Hong Kong who need affordable education and cannot easily access the main government system, whether they be long term non-Chinese speakers or returning Chinese speakers without the level of Chinese skills and understanding to let them thrive elsewhere. For me the central question is where can we ensure a child gets the most appropriate education in a system where it can thrive?
6. What about the International Schools’ argument about a level playing field?
  - a. Well first how do we define an international school?
    - i. Is it curriculum, because many schools have studied and taken on different curriculum mixes they believe will help with their students’ education?
    - ii. Is it fees, DSS schools charge fees.
    - iii. Is it language, many of the elite government school have English medium education classes.
    - iv. Is it debentures and building levies, if so then it’s EDB that is making ESF unaffordable for many by pushing it towards such solutions?
  - b. Most International Schools are close to capacity so I have to wonder what they will gain from the 14 ESF schools joining their ranks at a comparable fee level.

Surely the motivation for the alleged International Schools' objections can't just be envy of the subvention, and if it is why is government relying on such petty arguments?

- c. Capital funding, this could be an issue for International schools because whereas they have to fully-fund their buildings, ESF (which has inherited a stock of old buildings) has been able to access limited funding from Government (based on government school costs). If capital funding is withdrawn as proposed the cost of refurbishment and replacement will fall on an increasingly squeezed middle or sandwich class of future ESF parents.
7. Is affordable still part of the reason ESF exists? I would say increasingly not over recent years. It's a question the ESF management has always shied away from as too difficult to assess and deal with, in part because some 75-80% of income is from fees and close to 80% of outgoings have traditionally been staff related costs. Is the talk of a 23% increase if the subvention goes likely? Honestly I think that will be the first step to be quickly followed by further increases just to cover existing expenses, thousands will be forced out or away from ESF as it creeps towards the top of the pile for fees. Perhaps the biggest issue for the future of affordable English education in Hong Kong is that if the subvention goes government will no longer have the ability to influence in any real way, what it perceives as the International sector and I have to question whether that is good for the SAR and its citizens.
8. Why are we at this point with the subvention? Once again my humble opinion, but many within EDB have little time for ESF (some of that I can understand, but the view is often based on fundamental misconceptions). I believe from my dialogue with Professor Li that he was ambivalent, but open to maintaining the subvention; Mr. Michael M.Y. Suen from my reading was disinterested in the subject; Mr. Eddie H.K. Ng hasn't had time to deal with it, but I believe Mrs. Cherry L.K.C. Tse, now the Permanent Secretary for Education, has constantly pushed the agenda to turn ESF into an international school system by removing subvention. I base that supposition on listening at Foundation meetings. We should also ask does this align with the wishes of the stakeholders (parents, more importantly prospective Hong Kong parents and teachers) who have never been adequately considered or consulted, or does it just clear away an irritating anomaly for EDB and the International sector whilst allowing the upper end of the business sector a bit more flexibility for their transient workers.
9. Undoubtedly you will hear from EDB that non-Chinese speaking children can be suitably accommodated within Chinese speaking government schools, perhaps they can in small numbers and if resources are readily available. However, if you ask most parents the answer would be that a large number of students would struggle and it would dramatically impede their learning. Surely the priority is the child reaching its potential

and to do that it needs to be in an environment it can thrive in, whether that's Chinese, English or any other language.

10. Do Hong Kong citizens have faith in EDB's ability to chart the right course? Was the proposed decision on the ESF subvention and the future of the thousands of children who will pass through its doors based on research and consensus within EDB or was it a crusade by a small group? Perhaps the concern from my perspective is best illustrated by the numbers of native Chinese speaking residents seeking places in ESF Educational Services Ltd (ESF ESL) kindergartens in an attempt to access the ESF schools; these are Hong Kong Chinese speaking citizens voting with their feet on current EDB policies.

[1] <http://www.csb.gov.hk/print/english/admin/benefits/88.html>

[2] <http://www.csb.gov.hk/print/english/admin/benefits/81.html>

[3] <http://www.scmp.com/article/704031/overseas-education-policy-civil-servants-persists>

[4] <http://www.scmp.com/comment/insight-opinion/article/1257184/education-officials-failing-hong-kong-children>

[5] [http://www.edb.gov.hk/attachment/en/edu-system/primary-secondary/applicable-to-primary-secondary/direct-subsidy-scheme/index/dssrate\\_e.pdf](http://www.edb.gov.hk/attachment/en/edu-system/primary-secondary/applicable-to-primary-secondary/direct-subsidy-scheme/index/dssrate_e.pdf)