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Panel on Education

Meeting on 16 July 2014

**Updated background brief on
issues related to the kindergarten sector and
the provision of 15-year free education**

Purpose

This paper provides an updated summary of the major views and concerns expressed by Members on issues related to the kindergarten sector and the provision of 15-year free 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 operate on a half-day basis and offer upper kindergarten, lower kindergarten and nursery classes. Some kindergartens offer whole-day classes as well.

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. According to the information provided by EDB in reply to a written question raised by Dr Hon Kenneth CHAN at the Council meeting of 6 February 2013, there were over 950 NPM KGs and PI KGs in Hong Kong as at October 2012. For the 2011-2012 school year, the average school fees charged by PI KGs and NPM KGs operating half-day classes were \$44,338 and \$21,177 respectively.

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 concerned¹. 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.

5. 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.

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

6. 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.

¹ A transitional period of three years until the end of the 2009-2010 school year was provided for PI KGs satisfying all prescribed requirements of eligible NPM KGs, save for the NPM status, to redeem the vouchers from parents whose children were enrolled at various study levels in such PI KGs in the 2007-2008 school year throughout these children's education in the same PI KGs.

Committee on Free Kindergarten Education

7. 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.

8. 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.

9. 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

10. 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.

11. 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, the Public Accounts Committee ("PAC") published its conclusions and recommendations, which were contained in Chapter 3 of Part 4 in P.A.C. Report No. 60 tabled at the Council meeting on 10 July 2013.

12. The major views and concerns expressed by Members are summarized in the ensuing paragraphs.

Salary scale and professional upgrading of KG teachers and principals

13. A major concern of the Panel was 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 unacceptable².

14. 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 principals³. Members generally shared deputations' view that the continued existence of 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. The Administration said that the matter would be examined by one of the subcommittees under the Committee.

15. 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.

² Please see "Conclusions and recommendations" in Chapter 3 of Part 4 of P.A.C. Report No. 60.

³ 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>.

Implementation of free KG education

16. 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.

17. The Panel shared the broad consensus of the deputations that 15-year free education should be implemented without further delay. Some members were concerned 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

18. 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 the Subcommittee on Catering for Student Diversity.

19. 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.

20. 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 subcommittees would issue post-meeting announcements.

21. When the Panel received an update on the progress of work of the Committee in February 2014, some members considered that there was a

lack of substantive progress as the Committee was still in the stage of examining various issues. According to 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. During this period, 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.

Consideration of PEVS by PAC

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.

Need for additional support for 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. The Administration advised that the

Committee and its subcommittees were aware of the operational needs of whole-day and long whole-day KGs, and would need to examine relevant issues holistically before formulating the way forward.

26. 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. Noting the concerns, the Administration confirmed that relevant issues related to learner diversity and support for SEN students would be studied by one of the subcommittees under the Committee.

KG admission arrangements and provision of KG places

27. In view of the panic of parents over KG places, particularly in the North District and Tai Po, the Panel discussed with the Administration issues related to the supply of and demand for KG places at a special meeting held on 28 October 2013. Members noted that 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.

28. 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.

29. 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.

Latest position

30. 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.

31. The Administration will brief the Panel on the latest progress of work of the Committee at the meeting to be held on 16 July 2014.

Relevant papers

32. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 4
Legislative Council Secretariat
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Relevant papers

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

Committee	Date of meeting	Paper
Panel on Education	9.7.2013 (Item II)	Agenda Minutes CB(4)852/12-13(01)
Legislative Council	10.7.2013	Chapter 3 of Part 4 of Public Accounts Committee Report No. 60
Panel on Education	28.10.2013	Agenda Minutes CB(4)80/13-14(01) CB(4)210/13-14(01)
Panel on Education	27.1.2014	Agenda CB(4)323/13-14(01)
Panel on Education	10.2.2014 (Item IV)	Agenda Minutes
Panel on Education	14.4.2014 (Item VII)	Agenda Minutes

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