



中華人民共和國香港特別行政區政府總部教育局

Education Bureau

Government Secretariat, Government of the Hong Kong Special Administrative Region
The People's Republic of China

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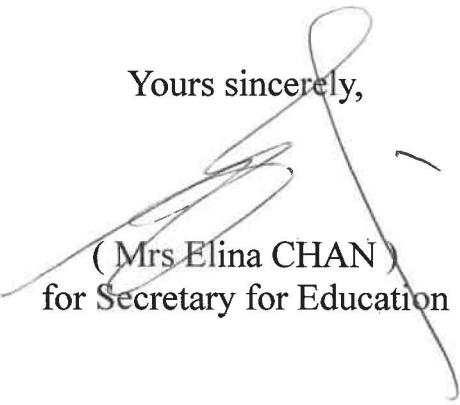
Clerk to Panel on Education
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms Angel WONG)

Dear Ms Wong,

Panel on Education
Follow-up to the meeting on 5 June 2020

I refer to your letter dated 9 June 2020. Regarding the two motions passed under the agenda item of “Capital assistance loan to four non-profit-making international schools” at the Panel meeting held on 5 June 2020, our response is at the **Annex** please.

Yours sincerely,


(Mrs Elina CHAN)
for Secretary for Education

Encl.

**The Administration's response to
motions passed under the agenda item of
“Capital assistance loan to four non-profit-making international schools” at
the Panel of Education meeting on 5 June 2020**

Wording of motions

Regarding the provision of interest-free capital assistance loans to non-profit-making international schools, this Panel urges the Administration, as a loan condition, to require the schools concerned to cap the school charges (including but not limited to tuition fees, debentures, nomination rights, capital levies, etc.), with a view to preventing schools from over-charging parents and to enabling families of different social strata to receive quality international school education. This Panel also urges the Education Panel to holistically review the policy initiatives on the development of international schools so as to avoid aristocratisation of education, thereby benefiting more families and students.

(Moved by Hon Dennis KWOK Wing-hang)

Regarding the provision of interest-free capital assistance loans to non-profit-making international schools, this Panel urges the Administration, as a loan condition, to require the schools concerned to provide integrated education for students with special educational needs and not to reject students on the ground of their disabilities. The schools should also set up sufficient scholarship schemes so that no student will be deprived of quality education opportunities through lack of means.

(Moved by Dr Hon Fernando CHEUNG Chiu-hung)

Response

Pursuant to Sections 61, 65 and 66 of the Education Regulations (Cap 279A), schools have to obtain written permission from the Permanent Secretary for Education before collecting charges and revising school fees. The Education Bureau (EDB) has in place a well-established mechanism to scrutinise fee proposals from private schools, including international schools. Schools are required to provide information to EDB including detailed rationale for fee revision, schools' financial situation (such as rental increase and staff salary adjustments), correspondence with parents (e.g. letters to parents showing schools have clearly and comprehensively informed parents of the reasons for fee revision). If schools apply for a large fee increase or for fee revision in

consecutive years, EDB will require schools to provide further supporting information and documents. If schools are unable to provide sufficient reasons or information for their applications, EDB will not approve their applications.

International schools, like other private schools, are self-financing, market-driven and autonomous in their operation. To meet the financial requirements in relation to learning and teaching, school development, facilities improvement and infrastructure capital projects, some international schools raise funds through loans or different fund raising programmes (e.g. debentures and nomination rights) to support the long-term school development needs or large-scale school improvement projects. In light of the diverse nature of the fund raising programmes of private schools in recent years, EDB will gradually enhance the monitoring measures from the 2020/21 school year with a view to formulating a more comprehensive vetting mechanism. During the process, we will take into account private schools' development needs and areas of concern, the prevailing monitoring requirements and other stakeholders' concerns. EDB issued a letter to all private schools on 18 June 2020, inviting those intending to collect other charges such as debentures, capital levies and nomination rights fees in the 2020/21 school year to submit applications. Schools are required to provide justifications for the proposed revision of other charges and to report their related communications with parents about the proposed revisions as well as ways to address parents' concern.

The Service Agreements (SAs) signed between the Government and non-profit-making international schools with greenfield sites or vacant school premises allocated stipulate that the School Sponsoring Bodies (SSBs) have to set aside funding as scholarships and/ or other financial assistance for needy students. The requirement percentage from the total tuition income to meet this requirement is subject to the policy guideline prevailing at the time when the land or the premises is granted/leased. The current requirement is set at 10% of the total tuition income. In the 2018/19 school year, the four international schools applying for interest-free loans (viz. Christian Alliance International School, Malvern College Hong Kong, Shrewsbury International School Hong Kong and French International School) have, from the 10% reserved fee income, utilised 50%, 57%, 10% and 46% respectively as scholarships and/ or other financial assistance for the needy students. The remaining amount has been reserved for future grant of scholarships and/ or other financial assistance needs. The four schools concerned have confirmed that no students fitted for admission have been rejected from admission due to lack of means. In the wake of the economic impact brought by the COVID-19, the four schools have also implemented different fee assistance schemes to assist parents in tiding over these difficult times. We will monitor the provision of scholarships / financial assistance through the annual audited accounts submitted by the schools, and follow up with the schools as necessary.

As regards support to students with special education needs (SEN), one of the key factors for evaluating the school proposals submitted under School Allocation

Exercises for international school development is the support measures for students to be provided by the applicant schools. It has been the prevailing practice to give favourable consideration to school proposals with appropriate measures to support SEN students. For the four international schools applying for interest-free loans, they have all included support measures for students with SEN in their school proposals, such as implementing measures to identify students with SEN, adopting different approaches to facilitate learning of students with SEN, and setting aside manpower / resources to specifically cater for the needs of these students, etc.. As stipulated in the SAs entered with EDB, the four international schools should be operated according to the school proposals submitted, including the proposed support measures for SEN students. EDB will follow up with the schools if they are found to be in breach of the requirements under the SAs. In the 2019/20 school year, the number of students with SEN enrolled in the four international schools ranged from 3.3% to 9% of their respective total student intake.

In conclusion, the four international schools applying for interest-free loans are already subject to the monitoring and control regime governing the fees and charges collected by private schools, as well as the requirements to provide scholarships/financial assistance for needy students and implement support measures for SENs pursuant to their SAs signed with the Government. EDB will closely monitor the compliance of the four schools according to our established mechanism and follow up with the schools when irregularities or non-compliances are detected.

Education Bureau
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