

For discussion
on 3 September 2021

Legislative Council Panel on Education

Progress of the Implementation of the Kindergarten Education Scheme

Purpose

This paper aims to brief Members the progress of implementation, review findings and way forward of the kindergarten education scheme (Scheme).

Background

2. The Government has implemented the kindergarten education scheme starting from the 2017/18 school year. The policy objectives are to provide good quality and highly affordable kindergarten (KG) education, and enhance the accessibility of students to different modes of services that suit their specific needs. The Government announced in the 2016 Policy Address the launch of the Scheme and briefed the details of the Scheme in the Panel on Education of Legislative Council in February 2016. The major initiatives are summarised below:

- (a) Basic subsidy: Providing eligible local non-profit making KGs¹ with a basic subsidy to offer three-year quality half-day (HD) service to all eligible children, and additional subsidies to eligible KGs offering whole-day (WD) and long WD (LWD) services;
- (b) Teacher professionalism (including manpower, salary and professional development): Enhancing the overall teacher-pupil (TP) ratio for eligible KGs substantially from 1:15 (including

¹ To join the Scheme, KGs should meet the following eligibility criteria:

- (a) being a non-profit making KG exempted from tax under Section 88 of the Inland Revenue Ordinance (Cap. 112);
- (b) offering a full local curriculum in accordance with the latest curriculum guide for KGs issued by the Curriculum Development Council; and
- (c) with track records on meeting the quality requirement (i.e. passing the Quality Review).

- principal) to 1:11 (not including the principal); providing a salary range for each position for KGs, which would determine the remuneration of their staff within the range; encouraging KGs to establish a career ladder and provide competitive remuneration to attract and retain quality teachers;
- (c) Curriculum and quality assurance: Reviewing the Guide to the Pre-primary Curriculum with regard to the learning and teaching experience of KGs and the needs of the community; enhancing the quality assurance framework to strengthen the governance and transparency of KGs; and stepping up the Government's monitoring;
 - (d) Catering for diverse learning needs: Strengthening the support to students from needy families, non-Chinese speaking (NCS) students and students with diverse learning needs;
 - (e) School premises and facilities: Improving school premises and facilities, and exploring to increase the provision of KG premises;
 - (f) Parents' involvement and parent education: Promoting parent education to help parents understand the development needs of their children; encouraging KGs to set up Parent-Teacher Associations (PTAs) to promote parents' involvement in the learning of their children.

The major measures are detailed at [Annex 1](#).

Consultation

3. The Scheme signifies an important milestone in the development of KG education. In view that the Government has put in substantial resources and implemented various measures covering different aspects, we considered it necessary to have a timely review to understand the implementation in KGs to ensure that the measures are implemented according to the policy objectives and intended purposes. Meanwhile, we understand that the KG sector (especially teachers) has expressed the demand for the establishment of a salary scale for KG teachers. In this connection, the Chief Executive announced in the 2017 and 2018 Policy Address that the data of the three school years from 2017/18 to 2019/20 would be used as the basis to explore the feasibility of introducing a salary scale for KG teachers. The Education Bureau (EDB) commenced a

comprehensive review on the implementation of the Scheme in mid-2019, including the salary arrangements for KG teachers. The review does not aim at making fundamental changes or changes in principle. The objective of the review is to understand the implementation of the Scheme so as to explore refinements on the implementation details as necessary.

4. The scope of the review included the funding modes under the Scheme, teacher professionalism (including manpower, salary and professional development), monitoring and quality assurance, school premises and facilities, curriculum and students' learning, parent education, etc. in the three years from the implementation of the Scheme in the 2017/18 school year up to 2019/20 school year. Should relevant information in the 2020/21 school year be available, we also took into consideration to ensure that the findings from the review are still applicable under the latest circumstances.

5. In this connection, more than 60 consultation sessions were conducted with representatives of different stakeholders, including school sponsoring bodies (SSBs), KG principals, KG associations, teacher organisations, relevant non-governmental organisations, as well as parents and KG teachers.

Review findings and recommendations

Overall situation

6. The EDB has rolled out the initiatives under the Scheme progressively, and put in place enhancements as necessary. Under the Scheme, the Government has substantially increased subsidies to KGs².

² Before the implementation of the Scheme, the annual subsidy, irrespective of HD or WD, for each eligible student under Pre-primary Voucher Scheme (PEVS) is \$23,230. In the 2017/18 school year, under the new Scheme, the HD unit subsidy for each eligible student is \$33,190. For WD and LWD services, they are provided with an additional subsidy of 30% and 60%. As such, WD and LWD unit subsidy for each eligible student is \$43,150 and \$53,100 respectively. In the 2020/21 school year, the HD, WD and LWD unit subsidy for each eligible student is \$36,080, \$46,900 and \$57,730 respectively. Among them, LWD KGs are actually aided child care centres operated under the Social Welfare Department before the harmonisation of pre-primary services in the 2005/06 school year. Since they operate longer service hours, they are in generally referred to as LWD KGs.

The Government's commitment in KG education has been substantially increased from about \$4 billion before the implementation of the Scheme to about \$6.7 billion every year. In the school years from 2017/18 to 2020/21, there were 748, 753, 761 and 763 KGs joining the Scheme (Scheme-KGs) respectively, accounting for around 97% of the eligible KGs. Among them, around 90% of the HD programmes are free of charge. For WD programmes, premised on the principle of co-payment between the Government and parents, parents need to pay school fees. With additional subsidy from the Government, the school fees for WD programmes are maintained at a low level (the median school fees per instalment for the 2017/18 to 2020/21 school years were around \$730, \$790, \$820 and \$860 respectively). Families with financial needs may apply for fee remission and the Grant for School-related Expenses for KG Students.

7. On the whole, the Scheme has been implemented smoothly and is widely supported by the sector in general. Measures implemented are in line with policy objectives and intended purposes. The policy objectives of providing highly affordable KG education, and enhancing the accessibility of students to different modes of services that suit their specific needs have been achieved. The Scheme has maintained the KGs' features of flexibility and diversity, as well as prompt response to social changes and parents' needs. The progress in implementation of the Scheme is set out at [Annex 2](#).

Major recommendations

8. Under the premise of maintaining KGs' flexibility and diversity, as well as promptly responding to social changes and parents' needs, the EDB will maintain the measures under the Scheme, including the funding modes, teacher professionalism (including manpower, arrangement of salary ranges and professional development), monitoring and quality assurance, school premises and facilities, curriculum and students' learning, parent education, etc. Besides, the EDB will further support the sustainable development of KGs and the major new measures ahead are as follows:

- (a) **Enhancing teachers’ professional development**, which includes:
 - (i) providing structured learning programmes of a longer duration (e.g. lasting for several weeks) for experienced teachers, senior teachers or teachers aspiring for senior posts from the 2021/22 school year onwards, for in-depth study on various education issues; and providing subsidies for supply teachers in this regard;
 - (ii) providing a one-off grant for Scheme-KGs in the 2021/22 school year to implement school-based projects to facilitate professional development of teachers or sustainable development of the school. Successful applicants will receive a subsidy from \$100,000 to \$200,000;
- (b) **Streamlining administrative work**, which includes:
 - (i) exploring the feasibility of expanding the coverage of the simplified procedures under fee revision to KGs proposing fee increase not exceeding a specified percentage;
 - (ii) streamlining the procedures in school allocation exercises, with KGs’ overall operating standard and needs of KGs as the key considerations so as to encourage more KGs to apply for relocation;
- (c) **Assisting KGs in improving the school environment**, which includes:
 - (i) extending the Relocation Grant (\$1.5M for each KG) to the 2022/23 school year, encouraging KGs in districts with aging population, with old school premises or in premises at high rental cost to relocate;
 - (ii) providing 200 additional quotas under the Renovation Grant (\$0.5 million for each KG) in the 2021/22 school year;
 - (iii) extending the grace period for transition from rent reimbursement scheme to “dual” caps under the new Scheme for two years, i.e. 2021/22 and 2022/23 school years. During these two years, the amount of subsidy will be decreased by 15% each year to facilitate schools’ gradual transition;
- (d) Providing an additional one-off subsidy of \$50,000 to \$60,000 to KGs in the 2021/22 school year to **kick start structured parent education programmes**;
- (e) Seeking to **uplift the fee remission ceiling under the Kindergarten and Child Care Centre Fee Remission Scheme**

(KCFRS) from the 75th percentile **to the 100th percentile** of the school fees charged by existing Scheme-KGs, so that all parents receiving full fee remission do not need to pay any difference. The details are set out at Annex 3.

The analysis of the relevant aspects are at paragraphs 14 to 43 below.

Maintaining the merits of the KG sector

9. The KG sector is characterised by flexibility and diversity, flexible operation, as well as prompt response to social changes and parents' needs. The new Scheme can effectively cater for school-based circumstances of different KGs. Specifically, the basic HD unit subsidy covers the general needs of all KGs, including the salaries of teaching and non-teaching staff, and related expenses (such as provident fund contributions) and daily operating costs. Additional subsidies are provided to cater for the diverse needs of KGs, including additional subsidies to KGs operating WD and LWD programmes³, and Grant for a Cook for WD KGs with a kitchen which complies with the Government's requirements. This not only suits school-based needs, but also upholds the key principle of co-payment between the Government and parents for the additional costs for WD operation. Premises maintenance grant and rental subsidy are provided to cater for the respective needs of KGs operating in self-owned school premises and rented premises. Additional subsidy is provided to KGs to support NCS students, and fee remission and grant for school-related expenses are provided for students with financial difficulties so as to cater for the needs of students with diverse backgrounds, etc.

10. In fact, given the diversity of the KG sector, KGs must be allowed to make flexible arrangements to support the sustainable development of KGs with diverse backgrounds. Taking the operation scale of KGs as an example, the number of students ranges from dozens of students to over one thousand students. As for operation mode⁴, KGs flexibly deploy their rooms to operate HD programmes, WD programmes or both HD and WD

³ WD and LWD programmes need more staff and higher operating costs due to the longer service hours. The additional subsidy we provide for WD and LWD programmes are 30% and 60% of the basic HD unit subsidy respectively.

⁴ In the 2020/21 school year, there were about 100 Scheme-KGs (about 13%) with an enrollment of more than 300 students while around 60 Scheme-KGs (8%) had fewer than 60 students.

programmes in response to parents' needs. Besides, most KGs also operate child care centres to cater for children aged under 3. Under the principle of no cross-subsidisation between child care centre and KG portions, KGs can flexibly deploy their manpower and put in place other school-based measures. No Scheme-KGs ceased operation from the 2017/18 to 2019/20 school years. This shows that even "small-scale" KGs (such as those having only dozens of students) can still sustain their development through flexibly deploying resources. In the 2020/21 school year, only two Scheme-KGs ceased operation. One of them was due to the redevelopment of the estate.

11. In light of KGs' specific features of flexibility and diversity in operation, should Scheme-KGs be able to provide free HD services and maintain fees for WD services at a low level, they may flexibly employ additional teachers, teaching assistants and other supporting staff. KGs may also draw up school-based policy on remuneration within the prescribed salary range provided by the EDB and remunerate teachers with regard to their qualifications, teaching experience, duties, performance and expertise. On the arrangement of learning and teaching activities, while the overall requirement in TP ratio is 1:11, KGs have the flexibility to adopt previous practices⁵ so that teachers can have more capacity for various professional activities, such as participating in professional development activities and catering for the diverse needs of students (including those at risk of developmental delay).

12. After the implementation of the Scheme, we have kept in view KGs' needs, and enhanced existing grants or provided additional grants. For example:

- (a) In early 2017, a one-off start-up grant ranging from \$200,000 to \$300,000 was provided to each KG joining the Scheme in the 2017/18 school year to facilitate their preparation for implementation of the Scheme;
- (b) Soon after the current-term Government has assumed offices, it was announced that the two-year tide-over grant would be extended for

⁵ The minimum number of teachers required to be present and on duty in a KG shall, in relation to the number of pupils present at any time in the KG, be one teacher for every 15 pupils or part thereof. The principal of the KG can be counted as one of the teaching staff and at least one teacher has to be present in a class.

- three years (i.e. a total of five school years from the 2017/18 to 2021/22 school years);
- (c) The Government proposed in the 2018 Policy Address to extend the statutory maternity leave (ML) from 10 weeks to 14 weeks. Notwithstanding that the Government needs time to amend the relevant law, the EDB provides a relief grant from 1 January 2019 onwards for staff taking 14-week paid ML to encourage Scheme-KGs to be good employers;
 - (d) As for additional subsidies to support NCS students, starting from the 2019/20 school year, the grant was enhanced from one tier to five tiers and the grant rate for the highest tier is a double of the previous level;
 - (e) Starting from the 2018/19 school year, a supply teacher grant is provided to facilitate Scheme-KGs to arrange their teachers to attend the specified recognised training courses on supporting students with special needs and NCS students;
 - (f) With effect from the 2019/20 school year, the Promotion of Reading Grant for Kindergartens is provided to support Scheme-KGs to step up the promotion of reading;
 - (g) Additional one-off subsidies are provided to schools when needs arise. Examples include the Special Grant on Typhoon Disturbance⁶ provided in 2018 because of the destruction caused by Typhoon Mangkhut; the Special Anti-epidemic Grant, the Support Grant and the One-off Grants⁷ under two rounds of the Anti-epidemic Fund in consideration of the impact of the COVID-19 epidemic; the Gift Book Scheme and Do It Yourself Handicraft and Learning Package Scheme to facilitate children's learning at home, etc.;
 - (h) As announced in August 2021, an additional subsidy is provided for Scheme-KGs to purchase national flags and movable flagpoles so as

⁶ The Special Grant on Typhoon Disturbance was disbursed according to the actual expenses of KGs, basically with a ceiling of \$50,000 per KG.

⁷ To support KGs, the EDB has disbursed subsidies to the KG sector three times, including (a) providing each KG with a grant at the rate of \$10,000 to \$15,000 in March and April 2020 for replenishing epidemic prevention equipment, cleaning the school premises and paying for other expenses related to epidemic prevention; as well as the Support Grant ranging from \$60,000 to \$160,000 per school; (b) providing all KGs with a One-off Grant in November 2020 ranging from \$30,000 to \$80,000 per school; and (c) another One-off Grant provided to all KGs in February 2021 ranging from \$60,000 to \$160,000 per school.

to facilitate KGs to help students understand the national flag and the etiquette of the flag raising ceremony;

- (i) In tandem with the review, we promptly provided enhanced measures when immediate improvements were found necessary, including providing the Relocation Grant, Renovation Grant, Website Enhancement Grant, etc. in the 2020/21 and 2021/22 school years.

13. In sum, under the Scheme, KGs maintain their specific features of flexibility and diversity. They operate flexibly to cater for their diverse needs and promptly respond to social changes and parents' needs. In the past few years, KG sector has been developing steadily and the EDB has also continuously reviewed KGs' needs in order to enhance or roll out corresponding support measures.

Teacher Professionalism

14. To enhance the quality of KG education, one of the keys is the professional competency of KG teachers (including principals). In this connection, the EDB has put in place a series of enhancement measures in manpower, salary and professional development of teachers when implementing the Scheme.

(a) Teacher manpower

15. The overall TP ratio for Scheme-KGs has been enhanced from 1:15 (including principal) to 1:11 (not including the principal). As the TP ratio is calculated based on the overall number of teachers in school, KG may arrange learning and teaching activities flexibly according to school-based needs, including catering for students with diverse needs. Considering that the current TP ratio of 1:11 in KGs is on par with international standards and even compares favourably with many economically advanced regions, the EDB will continue to adhere to this ratio. KGs may further enhance their TP ratio by flexibly deploying resources to employ additional teachers provided that their HD programmes are free of charge and fees for WD programmes are maintained at a low level.

(b) *Teachers' salary*

16. Before the implementation of the Scheme, teachers' salary is determined by market force and school-based decisions. To ensure that teachers are reasonably remunerated, the EDB has accepted the recommendation of setting salary ranges for teachers of different ranks⁸. The recommendation is made after balancing different views and proposals of stakeholders and the salary range is devised based on the recommendation of a consultancy study⁹. Scheme-KGs are required to remunerate their teachers who hold a Certificate in Early Childhood Education or higher qualifications within the prescribed salary ranges. The salary ranges are adjusted according to the annual civil service pay adjustment on a school year basis. Not only has this arrangement safeguarded teachers to have reasonable remuneration, it also allows the KG management to capitalise on the specific features of flexibility and diversity when flexibly determining the salary of the teachers according to their qualifications, teaching experience, performance, additional duties, training received and special skills possessed.

17. Various measures are put in place to ensure that teachers are reasonably remunerated. First and foremost, KGs are requested to remunerate teachers within the prescribed salary ranges. The EDB conducts annual survey to collect the information about salaries of teachers. We will follow up each case of KGs not remunerating teachers within the salary ranges. Moreover, 60% of the basic unit subsidy is prescribed as teachers' salary portion which must be used on teachers' salaries and related expenses. KGs may deploy any portion of the remaining 40% for teachers' salaries and related expenses, but not vice versa. KGs are required to submit audited accounts annually which are audited by a certified public accountant (practicing) under the Professional Accountants Ordinance (Cap. 50). Besides, the accumulated surplus in the salary portion exceeding the reserve ceiling will be clawed back in order to encourage schools' optimal use of the subsidy on teachers' salary.

⁸ Including basic rank teacher, Senior Teacher, Vice principal, Principal II and Principal I.

⁹ For details, please refer to paragraphs 7.3.12 to 7.3.16 of the "Report of the Committee on Free Kindergarten Education" (May 2015) <https://www.edb.gov.hk/attachment/en/edu-system/preprimary-kindergarten/kg-report/Free-kg-report-201505-Eng.pdf>

18. Based on the information collected, the EDB has analysed the salaries of teachers in Scheme-KGs in the 2017/18 and 2018/19 school years¹⁰. Major findings are set out below:

- (a) The salary of Scheme-KG teachers has been significantly improved (the average salary of teachers was around \$25,000 and \$27,000 in the 2017/18 and 2018/19 school years respectively) with certain annual pay rise as compared with that before the implementation of the Scheme (around \$23,000). The overall salary adjustment is reasonable.
- (b) Over 80% of basic rank teachers were remunerated below the mid-point of the salary range concerned. Around half of the KGs employed additional teachers (i.e. exceeding the required TP ratio of 1:11) in these two years. This involved around 1000 additional teachers each year. It shows that KGs have flexibly deployed resources between teacher remuneration and number of teachers employed.
- (c) Among the basic rank teachers changing schools in the 2017/18 and 2018/19 school years, around 10% and 20% of the teachers experienced a pay cut. In tandem, over 85% and 80% had a pay rise when changing schools. As most of the teachers changing schools had a pay rise, this shows that KGs would take into account the teaching experience of teachers when they determine the salary of newly employed teachers. Having a salary cut when changing schools is not a common phenomenon.
- (d) Among the basic rank teachers with salary at or above the mid-point of the salary range in the 2017/18 and 2018/19 school years, about 70% and 90% respectively had a pay rise of more than \$1,000. This shows that pitching the subsidy at the mid-point of the salary range are not driving KGs to set the salary ceiling of their teachers at the mid-point of the salary range.

¹⁰ The EDB was not able to notify KGs of the salary ranges for the 2019/20 school year until 3 March 2020 because the civil service pay adjustment was only approved by the Legislative Council on 28 February 2020. In KGs' return on teachers' salary submitted in September 2019, some used the salary levels in the 2018/19 school year as the basis, while others made appropriate adjustments in light of school context. Since the data in question cannot accurately reflect the actual situation in the 2019/20 school year, for this analysis, only data on teachers' salary in the 2017/18 and 2018/19 school years was considered.

19. The EDB had detailed discussion with the KG sector on the feasibility of various options on salary arrangements for KG teachers, including adopting a mandatory salary scale similar to that of aided schools, under which KGs will submit to the EDB salaries of teachers as calculated under a mandatory salary scale and the EDB will provide subsidies on this basis. We have also explored the option of KGs remunerating teachers according to a mandatory teacher salary scale and calculating the average salary of teachers, with the Government providing unit subsidy based on the average salary of teachers under a tiered-subsidy arrangement. We had also considered the option of providing a salary scale for KGs' reference with KGs having full flexibility in determining their school-based arrangements.

20. Stakeholders had discussed and explored the feasibility of these options. The arrangement of a mandatory salary scale for KG teachers pegged with Government subsidies would mean similar practices as for aided primary and secondary schools. The funding mode for aided schools is tied with several inter-connected components (such as the EDB's annual approval for the number of operating classes and the staff establishment), and subject to the control measures implemented by the Government, and prudent and balanced planning of school places under school places allocation systems. However, KGs' mode of operation is distinctly different from that of primary and secondary schools. Hence, adopting a mandatory salary scale for KG teachers in isolation is not feasible. Should it be adopted, it might do more harm than good to the sector. All along, KGs have been admitting students from all districts and admitting students all year round based on their school-based mechanism. If a mandatory teacher salary scale pegged with subsidy is introduced, for prudent use of public resources, the EDB needs to have planned allocation of school places, approval for the number of operating classes and staff establishment of KGs. In such case, KGs would need a "standard class size" in a similar manner as for primary and secondary schools. However, the accommodation of KG premises vary greatly with the permitted accommodation of each classroom ranges from some 10 students to some 30 students. It is practically infeasible to have a "standard class size" for all KGs. Besides, the number of students in AM and PM sessions may differ greatly. There are also great differences across KGs on whether they operate WD classes, variation in the

enrollment of WD classes, and adjustment in the number of classes in the middle of a school term in light of the demand. If approval for the number of operating classes and staff establishment is required, KGs' flexibility in adjusting the operating classes would be greatly reduced. When admitting students in the middle of a school term, KGs would be required to fill the vacant school places. This would affect KGs' flexibility in student admission and reduce choices for parents. The sector was of the view that the school places allocation systems and the mechanism of approving operating classes and staff establishment for primary and secondary schools are not feasible in KGs. Besides, on the principle of co-payment between the Government and parents for WD programmes, should the additional teachers required under WD operation be remunerated based on the mandatory salary scale? This would have implications on the school fees and it is undesirable for teachers of HD and WD programmes remunerated differently.

21. Currently, most KGs flexibly deploy the surplus in subsidy to employ additional teachers. In the 2017/18 and 2018/19 school years, around 1 000 additional teachers were employed by the Scheme-KGs each year. Should a mandatory teacher salary scale be introduced with subsidy pegged with salary of teachers, the salary subsidy for teachers will only be calculated based on the TP ratio of 1:11. More than 1 000 existing additional teachers would become surplus teachers and have to be laid off. Besides, the number of teachers entitled under the TP ratio of 1:11 will be affected by the year-on-year changes in the number of students which will bring adverse impact on the stable development of the schools. With decline in enrollment, packing of classes and teacher redundancy would occur in KGs, undermining the stability of the teaching force. There has been a significant decline in student population in the recent years and it is anticipated that the decline would continue. The practice of approving the number of operating classes and staff establishment would lead to serious problem of teacher redundancy.

22. As stated in paragraph 18 above, salary of teachers has been improved significantly upon the implementation of the Scheme in the 2017/18 school year and teachers in general have reasonable pay rise each year. This reflects that the provision of salary ranges for teachers under the Scheme can safeguard teachers' remuneration in general. As a

mandatory teacher salary scale involves matters relating to school places allocation, approval for operating classes and staff establishment, and the problem of surplus teachers, the funding mode of aided schools cannot be applied to KGs in isolation. The sector was also concerned that school operation had been affected by the social turmoil and COVID-19 epidemic in the past two years. The sector needs to recover. In addition, it is anticipated that there will be a decline in enrollment in the coming years, the sector considered it necessary to maintain the stability of the teaching force and avoid any fundamental changes to the policy. It is more flexible to adopt the existing arrangement of providing salary ranges. The KG management can flexibly determine the salary of their staff. When individual KGs encounter different situations, such as decline in enrollment, they need flexibility in making school-based arrangements to maintain the stability in school development and the teaching force.

23. In conclusion, under the premise of maintaining KGs' flexibility and diversity, introducing a mandatory teacher salary scale for KG teachers, which may undermine the stability of teaching force, is not feasible. Hence, the EDB will maintain the existing arrangement of providing salary ranges for teachers. As learnt from the consultation sessions, KG teachers urged for a mandatory teacher salary scale not only because of better protection when changing schools, but also to avoid unreasonable pay which make them feel their professional status not recognised. To strengthen the protection to teachers changing schools, the EDB will require KGs to indicate on the "Certificate of Service" issued to leaving teachers relevant employment information, including the rank (such as teachers, Senior Teachers, Vice-principal, Principal) and monthly salary for the new employer's reference. In addition, we will strengthen continuous professional development of teachers. For details, please refer to paragraphs 24 to 26 below.

(c) *Teachers' Continuous Professional Development*

24. To facilitate continuous professional development (CPD) of principals and teachers, they should participate in 60 hours of CPD activities according to their needs in every three-year cycle starting from the 2018/19 school year. Regarding catering for students with diverse needs, the EDB has specified the following training targets:

- (a) Regarding the support to students with special needs, each Scheme-KG should have at least one teacher completed the Basic Course as recognised by the EDB by the end of the 2020/21 school year. According to our estimation based on the current situation, about 90% of the Scheme-KGs will have met this target by the end of the 2020/21 school year. As for the remaining 10% of Scheme-KGs, their major reason for not meeting the target is resignation of the trained one. Hence, they need to arrange another teacher to receive the training. Besides, small-scale KGs may have difficulty in arranging their teachers to receive the training. The EDB will provide support to them as appropriate.
- (b) On the support to NCS students, all Scheme-KGs admitting NCS students (irrespective of the number) should have at least one teacher completed the Basic Course recognised by the EDB before the end of the 2020/21 school year. This target has been met.

25. The EDB will continue to provide diverse modes (including workshops, seminars, experience sharing, etc.) of professional development programmes for teachers and principals such as courses on curriculum planning, learning and teaching as well as assessment, school administration and financial management, practical legal knowledge about KGs and catering for children's diverse learning needs. We will also consider providing different modes of delivery (such as different course time, online learning and mixed-mode learning). The EDB will continue to organise exchange tours in the Mainland and overseas to widen teachers' horizon.

26. To support KGs' implementation of school-based projects for facilitating teachers' professional development, the EDB plans to provide a one-off grant for Scheme-KGs in the 2021/22 school year. Successful applicants may be provided with a subsidy from \$100,000 to \$200,000. Moreover, to further strengthen the support for middle leaders in KGs, the EDB will provide structured learning programmes of a longer duration (e.g. lasting for several weeks) for experienced teachers, senior teachers or teachers aspiring for senior posts, for in-depth study on various education issues; and provide subsidies for supply teachers in this regard.

Monitoring and Quality Assurance

(a) Monitoring

27. Given that the Government's recurrent expenditure on KG education has substantially increased under the Scheme, the EDB has the responsibility to enhance the governance and transparency of KGs, and step up monitoring. On financial matters, the EDB must ensure KGs' compliance with the relevant rules and regulations, as well as proper use of Government subsidies and non-government funds (e.g. school fees and surplus from trading operations, etc.). In this connection, we monitor KGs' operation through various means, including routine inspections, quality review, focus inspection, annual submission of audited accounts audited by a certified public accountant (practicing), provision of more information in the annual publication of "Profiles of Kindergartens and Kindergarten-cum-child care centres" (KG Profile) and school websites, request for KGs' submission of relevant information when vetting various applications, etc.

28. Having regard to the views collected from the sector, the EDB agreed that while ensuring effective monitoring, we may streamline the vetting procedures to relieve schools' administrative work and pressure. In this regard, we have introduced simplified procedures to fee revision since the 2021/22 school year. KGs only need to complete simple forms if they propose freezing or reducing school fees and they could submit more detailed information later, for which the EDB will provide a template for schools' use. We will follow up on a case-by-case basis if individual KGs are found with irregularities. Other existing monitoring measures, for instance, submission of annual audited accounts will continue. The EDB will make reference to the relevant experience and explore the feasibility of expanding the coverage of the simplified procedures to KGs proposing fee increase not exceeding a specified percentage.

29. Moreover, we will streamline administrative procedures and strengthen the relevant training so that school personnel concerned could have a better understanding of the principles, and thus appropriately provide the required information. We will also promote use of electronic means in submission of forms and reports to facilitate schools' provision

and amendment of the information. We will also enhance webpages to facilitate the KG sector's more convenient access to information, tools and templates on financial management.

30. As regards KGs' sales of school uniforms, textbooks, refreshment, etc. (generally referred to as "miscellaneous charges"), KGs currently are only required to disclose in the KG Profile the amount of school items sold and paid services provided by the schools or provided on parents' behalf. To further enhance transparency, the EDB will require Scheme-KGs to list in the KG Profile the charges for major school items and services, regardless whether they are directly sold or acquired on parents' behalf. To ensure that KGs act in line with the circular and guidelines under the Scheme when conducting trading operations, the EDB will require KGs to undertake in the application form for joining the Scheme that they would follow the procurement procedures and declare interests. If individual schools are found selling very expensive miscellaneous items, the EDB will approach the schools concerned to request for explanations and improvements.

(b) Quality Assurance

31. Quality Assurance Framework for KGs comprises School Self-evaluation (SSE) and Quality Review (QR). Both SSE and QR are conducted on the basis of Performance Indicators (PIs). All Scheme-KGs are required to conduct on-going SSE and undergo QR for promoting sustainable development in schools and accountability. Upon the implementation of the Scheme, the EDB refined the PIs so as to help KGs conduct SSE in a more holistic and focused manner. Regarding QR, the EDB makes professional judgment on school performance by making reference to the refined PIs. If areas for improvement are identified, the EDB will specify them and offer recommendations in the QR reports so as to facilitate KGs' self-improvement on a continuous basis. The QR reports will be uploaded onto the EDB website. Starting from the 2018/19 school year, the English version of the QR report has also been available on the EDB website. To further enhance transparency and capitalise on the professional knowledge and experience of frontline principals, the EDB implemented a pilot scheme from the 2018/19 to 2020/21 school years, under which serving KG principals joined some QR

visits as external observers. They would share their observation during the oral feedback session but would not assess school performance. When the pilot scheme is completed, the EDB will examine its effectiveness and consider if this scheme would be regularised.

Premises and facilities

32. KGs are operated in different premises, such as self-owned school premises, privately leased premises, public housing estates and premises owned by their SSBs. In general, there is wide diversity in school premises and facilities. The number of classrooms in KGs varies from two or three to over 30. There are also great differences in the quality and quantity of KGs' indoor and outdoor space and various types of facilities. In the consultative meetings, the stakeholders were especially concerned about KG premises with poor conditions, KGs located in districts with aging population and KGs paying high rent.

33. Currently, around 50% of Scheme-KGs are operating in KG premises located in public housing estates. To increase the number of Scheme-KGs that will not have to charge any school fees to defray rental expenses, the long-term goal of the Government is to provide more quality KG premises. Apart from earmarking space for KG use in new public housing estates, the feasibility of co-location of KGs and primary schools is also being explored. From 2018 to 2020, a total of 11 KG premises in public housing estates were open for application by eligible SSBs and we have reserved a site for the pilot run of the co-location of a KG and a primary school. To encourage KGs in districts with aging population to relocate to newly development areas, or KGs at rented private premises to relocate to premises with lower rent or to apply for government-owned school premises, the EDB announced in August 2020 that a two-year Pilot Scheme on Relocation Grant was launched in the 2020/21 school year, under which each successful applicant can receive a one-off grant of \$1.5 million. The above Relocation Grant will be extended to the 2022/23 school year. Furthermore, the EDB has streamlined the mechanism for allocation of KG premises in 2021 with a view to encouraging more KGs to apply for relocation by according priority to those applying for relocation and taking KGs' overall operating standard and needs as the key considerations.

34. As regards poor conditions of some KG premises, the EDB launched a two-year Pilot Scheme on Renovation Grant in the 2020/21 school year so as to alleviate KGs' financial burden in improving the school environment. Each successful applicant can receive a grant of \$0.5 million and the estimated annual quota of the pilot scheme is 50. After the launching of Pilot Scheme on Renovation Grant, it was well received by the KG sector. Taking into account the available resources and needs from the KG sector, the quota will be increased by 200 in the 2021/22 school year to benefit more KGs.

35. As regards the rental, about 30 KGs were paying market rent and were eligible for full rental subsidy prior to the implementation of the Scheme. These KGs are under a grace period of four years (from the 2017/18 to the 2020/21 school years), after which their rental subsidy is subject to "dual" caps¹¹, as for other KGs paying market rent. The EDB understands that individual KGs may need to increase their school fees due to the substantial reduction in rental subsidy after the end of the grace period. In light that the current economic situation is not yet stable, to minimise the impacts on parents, the grace period will be extended for two years (i.e. 2021/22 and 2022/23 school years), during which the amount of subsidy will be decreased by 15% each year to facilitate schools' gradual transition to the new arrangement.

Curriculum, students' learning and parent education

(a) Curriculum and students' learning

36. In February 2017, the EDB issued the updated Curriculum Guide that, with "child-centredness" as the core value of KG curriculum, promoting "learning through play". In the Curriculum Guide, there is a part dedicated to illustrating practical pedagogy and teaching strategies for teaching Chinese to NCS children, so as to facilitate their integration into school life and mastery of the Chinese language as early as possible. Besides, the Curriculum Guide stresses the interface between KG and primary education, nurturing children's interest in learning and helping

¹¹ 50% open market rental as assessed by Rating and Valuation Department (RVD), or 15% of the "basic half-day unit subsidy" for all eligible students under the Scheme, whichever is lower.

them build a solid foundation for learning. The primary school curriculum should not be advanced to KG. It is also clearly stated in the Curriculum Guide that children in nursery class (K1) should not be required to hold a pencil and write; children in lower and upper KG classes (K2 and K3) should not be required to do mechanical copying and calculation; and KGs should not arrange homework that is excessive, frequent or too difficult, so as not to cause unnecessary pressure and drilling. The EDB will continue to provide training and school-based support services in different modes to help KGs strengthen the leadership in curriculum planning and facilitate the development of school-based curriculum.

(b) Supporting students with diverse needs

37. On support to students with special needs, the Government all along has an established mechanism to identify children with special needs and provide support for them through the collaborative efforts¹² of various departments. The Labour and Welfare Bureau has launched the On-site Pre-school Rehabilitation Services (OPRS) under which the multi-disciplinary service teams (comprising occupational therapists, physiotherapists, speech therapists, clinical/educational psychologists, social workers and special child care workers) provide professional support to children with special needs who are studying in KGs/ kindergarten-cum-child care centres (KG-cum-CCCs). The OPRS was regularized in October 2018 with the number of service places increased significantly from 3 000 to about 8 000 in the 2020/21 school year, which will be further increased to 10 000 in the 2022/23 school year.

38. On support to NCS students, starting from the 2017/18 school year, an additional grant comparable to mid-point of the salary range of one KG teacher was provided to Scheme-KGs admitting eight or more NCS students. With effect from the 2019/20 school year, the grant has been enhanced as a five-tiered grant for Scheme-KGs with subsidies based on

¹² The Department of Health and the Hospital Authority are responsible for assessment, treatment and referral to rehabilitation services. The Social Welfare Department provides pre-school rehabilitation services for disabled children from new born to aged 6 and also helps the families of these children cater for their special needs while the EDB provides training for KG teachers.

the number of NCS students admitted. A KG admitting only one NCS student also receives the grant, and the grant rate for the highest tier is a double of the previous level. In the 2020/21 school year, the grant rate for KGs ranged from approximately \$50,000 (tier 1) to \$800,000 (tier 5). Through visits to KGs in receipt of the grant, the EDB provides schools with professional advice and support, monitors their deployment of the grant, and identifies successful experiences for sharing among KGs on support to NSC students.

39. In tandem, the EDB has enhanced professional training and has set specific training targets which have, by and large, been met (for details, please refer to paragraph 24 above). On top of Basic Courses, the EDB has been providing Advanced Courses on catering for the diverse needs of students starting from the 2018/19 school year. We will organise short-term Thematic Courses and consider the need of further enhancing the modes of training and the contents of the courses. In this connection, we would like to emphasize that the requirement in TP ratio of 1:11 has created capacity for teachers to conduct various professional activities. Schools should make flexible arrangement of teachers' duties so as to allow a close collaboration among their teachers, supporting team and outsourced personnel, and to create synergy to complement one another in catering for the diverse needs of students.

(c) Support to parents

40. Since parents play a crucial role in their children's early life and are the children's role models, Scheme-KGs are required to step up parent education on children's developmental needs, their roles in supporting their children, and sharing on good practices in facilitating healthy growth of children through family support.

41. To further strengthen home-school cooperation and parent education, the EDB, based on the recommendations of Task Force on Home-School Co-operation and Parent Education (Task Force) of Education Commission, has increased the amounts of grants¹³ from the

¹³ The amounts of Set Up Grant and Annual Grant each KG may apply for have doubled starting from the 2019/20 school year to promote the home-school connection and co-operation. KGs could apply annually to the EDB for the Subsidy for Home-School Co-operation Activities and the Subsidy for Joint Home-School Co-operation Project, the amounts of which have doubled as well

2019/20 school year to encourage KGs to set up Parent Teacher Associations (PTAs) and organise more parent education activities. The EDB has also launched a territory-wide “Positive Parent Campaign” enabling the public to understand the importance of happy and healthy development of children, enhancing parents’ awareness of positive parenting through a series of publicity activities, and disseminating the message on fostering children’s whole-person development as well as avoiding excessive competition.

42. Besides, the EDB has commissioned a tertiary institution to develop a curriculum framework on parent education (kindergarten). The EDB will continue to, by different means of territory-wide parent education talks, videos, booklets, educational activities, etc., raise parents’ awareness about the importance of fostering children’s whole-person development and avoidance of excessive competition. Besides, to encourage schools to strengthen school-based parent education, an additional one-off subsidy of \$50,000 to \$60,000 will be provided to KGs to kick start structured parent education programmes in the 2021/22 school year. In this regard, the EDB will assist in liaising with early childhood education experts, SSBs, tertiary institutions, etc. for KGs as necessary in the design and provision of structured parent education programmes.

43. As regards parents’ burden of paying school fees with the Scheme implemented starting from the 2017/18 school year, the Government has been following prevailing arrangements of providing fee remission to KG students passing the means test and meeting the eligibility criteria under the KCFRS. The fee remission ceiling continues to be the 75th percentile of HD and WD school fees charged by the respective KGs. To further support families with financial needs and provide them with more school choices, the Government is planning to adjust the fee remission ceiling under the KCFRS from the existing 75th percentile to the 100th percentile of the school fees charged by respective HD and WD Scheme-KGs, so that parents receiving full fee remission do not need to pay any difference. Consequential to raising the ceiling for full fee remission, the remission level for 50% and 75% remission will also be raised accordingly, hence benefitting these students as well. Taking the 2020/21 school year as

to encourages KGs to organise more parent education activities.

reference, it is estimated that about 4 800 KG students (including those who are receiving 100%, 75% and 50% fee remission), will benefit from the proposed enhancement. Details are set out at Annex 3.

Advice Sought

44. Members are invited to note the progress in the implementation of the KG education scheme and its way forward.

Education Bureau
September 2021

Kindergarten Education Scheme

Major measures

[Extracted from paragraph 3 of Legislative Council Paper dated 1 February 2016.]

The Government has implemented the new kindergarten (KG) education scheme (Scheme) with effect from the 2017/18 school year. The policy objectives are to provide good quality and highly affordable KG education, and enhance the accessibility of students to different modes of services that suit their specific needs. It is estimated that about 70% to 80% of half-day (HD) KG places will be free. The key features of the new policy and funding arrangements are as follows –

(a) Scope of free quality KG education

The Government subsidy would cover HD service in local non-profit-making (NPM) KGs as the basic provision for all eligible KG students. To unleash the potential of the local labour force under the population policy, additional resources will be provided for eligible KGs offering whole-day (WD) and long WD (LWD) services to encourage them to offer more such services at a more affordable rate.

(b) Enhancement to the quality of KG education

(i) Staffing, remuneration and career ladder

The overall teacher to pupil (TP) ratio for eligible KGs would be substantially enhanced from 1:15 to 1:11 (principal not included). A salary range for each position would be provided for KGs, which would continue to have the discretion to determine the remuneration of their staff within the range.

(ii) Quality assurance and curriculum review

The Guide to the Pre-primary Curriculum will be reviewed and the existing quality assurance framework be enhanced.

(iii) Teacher professionalism

The enhancement of the qualification requirement of KG teachers to degree level would be a long-term goal. Meanwhile, more support would be provided for KG teachers to upgrade their professional capacity.

(iv) Accommodation and facilities
The Operation Manual for Pre-primary Institutions would be reviewed with a view to enhancing the physical accommodation and facilities of new Government-owned KG premises. As an additional medium-/long-term measure, we will explore the feasibility of setting up resource centres to provide a variety of experiential learning activities for KG students, teacher training as well as parent education activities.

(v) Governance and monitoring
KGs will be required to enhance their administration, management and accountability under an effective governance framework with transparency. The Government will step up monitoring.

(c) Funding arrangement

(i) Mode of funding

We will provide direct subsidy for eligible KGs under the new policy. Funding would be provided basically on a per student basis for supporting students' HD schooling in the form of a basic unit subsidy (basic HD unit subsidy). Some grants on a school-specific basis will also be provided to cater for the special circumstances of the KGs or the students.

(ii) "Basic HD unit subsidy"

The "Basic HD unit subsidy", which is calculated on a per student unit cost basis, will cover teaching staff salary, supporting staff salary and other operating expenses.

(iii) School-specific grants¹⁴ (on top of the "basic HD unit subsidy")

I. Additional resources for WD and LWD services

An additional grant will be provided for eligible KGs offering WD and LWD places.

II. Premises-related support for KGs

Rental subsidy will be provided for KGs joining the new subsidy scheme. For eligible KGs operating in self-owned school premises or premises owned by their school sponsoring bodies with zero/nominal rent, a premises

¹⁴ The subsidy currently available to the child care centre portion of the KG-cum-CCCs under the Child Care Centre Subsidy Scheme will be maintained.

maintenance grant will be provided to alleviate the financial burden arising from major repairs. The existing arrangements for claiming refund of rates and Government rent by NPM KGs will continue.

III. Cook for KGs with a kitchen

A grant comparable to the recommended salary of one cook will be provided for LWD and WD KGs with a kitchen that complies with all the Government requirements.

IV. Non-Chinese speaking (NCS) students¹⁵ in KGs

A grant comparable to the recommended salary of one teacher will be provided for KGs admitting eight or more NCS students.

(d) Catering for student diversity

(i) KG students from needy families

Fee remission will continue to be provided under the existing Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS). In addition, a grant will be provided for KG students from needy families to help the parents pay for the expenditure incurred from KG education for their children.

(ii) NCS students in KGs

Apart from providing a grant for KGs admitting eight or more NCS students to strengthen the support for their NCS students, school-based professional support will continue to be provided and further enhanced. Teacher training programmes on the teaching and learning of the Chinese language for NCS students in KGs will also be enhanced.

(iii) KG students with special needs or at risk of developmental delay

Labour and Welfare Bureau (LWB) has launched a pilot scheme under which on-site rehabilitation service is provided to benefit over 2 900 children with special needs who are studying in KGs or kindergarten-cum-child care centres (KG-cum-CCCs) as early as possible. The services also cover parents of those children and the teaching staff in the KGs and

¹⁵ For the planning of educational support measures, students whose spoken language at home is not Chinese are broadly categorized as NCS students.

KG-cum-CCCs. The enhancement of the TP ratio to 1:11 will create more space for KG teachers to collaborate among themselves to take care of the diverse needs of students (including those at risk of developmental delay), and to enable better professional collaboration with the inter-disciplinary teams in the above pilot project to support the students with special needs.

EDB will offer more structured in-service training programmes for KG teachers to enhance their capacity to cater for students' diverse learning needs and to facilitate early identification of children with special needs. The Government will also set up a cross-Bureau/Department platform to give advice on the development of initiatives to cater for KG children with special needs.

(e) Provision of more KG places and KG premises

The planning standards for provision of KG places will be reviewed and revised as necessary as a long-term goal from the present 250 WD and 730 HD to 500 WD and 500 HD places respectively for every 1 000 children aged between three and six. We will also devise feasible policy measures with a view to increasing the supply of Government-owned KG premises which are up to the standard as stipulated by the Government in the long run.

(f) Parents' involvement and parent education

Parent education will be promoted to help parents understand the development needs of their children. EDB will also encourage KGs to set up Parent-Teacher Associations, and promote parents' involvement in the learning of their children.

(g) Local research on KG education

More researches on the latest trends in child development and to examine the impact of the new policy on the quality of KG education will be encouraged.

(h) Other implementation issues

To maintain the flexibility and diversity of the KG sector and free choice for parents, KG students admission will remain a school-based matter. We will issue guidelines to KGs to ensure a proper and transparent student admission mechanism is in place.

**Progress on the implementation
of the kindergarten education scheme
(2017/18 to 2020/21 school year)**

The new kindergarten (KG) education scheme has been implemented smoothly in general over the past four years. While maintaining KGs' flexibility and diversity as well as promptly responding to parents' and social needs, the quality of KG education has been enhanced. Initiatives undertaken under the new policy have been rolled out progressively. Some enhancements have also been put in place as necessary. A gist of progress is given below.

Overall implementation

1. When the policy was rolled out in the 2017/18 school year, it is estimated that about 70% to 80% of half-day (HD) KG places will be free. Over the past four school years (from the 2017/18 to 2020/21 school years), about 90% of the HD KGs are free. The fees of whole-day (WD) classes have been maintained at a low level, the median being around \$730, \$790, \$820 and \$860 per instalment respectively in these four years.
2. Subsidies relating to teachers' salaries have been enhanced in the following ways:
 - (a) Starting from the 2018/19 school year, subsidies on teacher salary portion and the teacher salary ranges are adjusted based on the annual civil service pay adjustment on a school year basis, instead of the Composite Consumer Price Index.
 - (b) The Tide-over Grant is extended for 3 years (i.e. 5 years up to the end of the 2021/22 school year).
3. Teachers are remunerated reasonably within the salary ranges. The Education Bureau (EDB) conducts annual survey to track the situation. Suspected irregular cases are followed up individually and KGs are requested to rectify as necessary.
4. While the minimum requirement in teacher-pupil ratio is 1:11, most KGs have deployed their resources to employ additional teachers. Overall

speaking, among some 750 Scheme-KGs, there are a total of about 1 000 additional teachers.

Curriculum

5. The KG Education Curriculum Guide was reviewed and the revised Guide was released in February 2017. Children’s balanced development, learning through play and the element of free exploration in play are highlighted. It is also explicitly spelt out that KGs should not require children in nursery class (K1) to hold a pencil and write, and not to require children in lower and upper KG classes to do mechanical copying and calculation.

Teacher training

6. On pre-service training, the programme frameworks of the teacher education programmes in early childhood education (ECE), including certificate in ECE, Bachelor in Education (ECE), and Postgraduate Diploma in Education (ECE), have been refined.
7. The framework for the KG principal certification course has also been refined.
8. Enhancements in in-service training have been put in place by:
 - (a) setting a soft training target of each KG teacher to attend at least 60 hours’ continuous professional development in a 3-year cycle;
 - (b) including KG teachers in the initiative of “sabbatical leave” under which KG teachers may apply for the aforesaid leave lasting for one to five months; and
 - (c) organizing more study trips to the Mainland and other districts/countries (such as Japan and Korea).

Catering for students’ diverse needs

9. On the subsidy for supporting non-Chinese speaking (NCS) students, it was enhanced in the 2019/20 school year by replacing the flat-rate subsidy with tiered subsidy. School plans and reports are collected and school visits are conducted for monitoring and support purposes.

10. Set up specific targets for training on catering for students' diverse needs:
 - (a) Each Scheme-KG admitting 8 or more NCS students should have at least one teacher completed the Basic Course as recognised by the EDB by the 2018/19 school year. The requirement has been extended to all Scheme-KGs having admitted NCS students (regardless of the number) by the 2020/21 school year.
 - (b) For students with developmental needs, each Scheme-KG should have at least one teacher completed the Basic Course as recognised by the EDB by the 2020/21 school year.

These training targets are broadly met.

11. A project "3Es: Early prevention, Early identification and Early Intervention" has been launched from the 2015/16 to 2020/21 school years to provide school-based support to KGs to cater for students' development in social skills and emotion.

Premises-related measures

12. The planning standards for provision of KG places has been reviewed and revised from 250 WD and 730 HD places to 500 WD and 500 HD places for every 1 000 children aged between three and six.
13. To increase government-owned KG premises so that these KGs will not have to charge any school fees to defray rental expenses, 11 KG premises in public housing estates have been allocated from 2018 to 2020. To explore the feasibility of co-location of KGs and primary schools, a pilot project is in the pipeline.
14. The Schedule of Accommodation for a "standard" KG has been revised with an increase of indoor floor area by 20% for each student.
15. In collaboration with the Agriculture, Fisheries and Conservation Department, and by capitalising on the existing resources in two of their visitors' centres in Tsiu Hang and Wetland Park, two resource centres for KGs have been set up. A purpose-built resource centre is being planned.

Guidelines and monitoring

16. On quality assurance, the Performance Indicators (Kindergartens) which serve as the basis for KGs' self-evaluation and EDB's Quality Review (QR), have been refined. A pilot scheme on serving principals to join some QRs as external observers has been introduced and will be reviewed.
17. Kindergarten Administration Guide and Procurement Guidelines have been drawn up, and the Operation Manual for Pre-primary Institutions has been updated.
18. Transparency of KG operation is enhanced. For instance, it is mandatory for Scheme-KGs to include their support to NCS students in the "Profiles of Kindergartens and Kindergarten-cum-child care centres", and to upload information, including the prices of fee-charging items or services (generally known as "miscellaneous fees") onto their school website.

**Raising the Fee Remission Ceilings for
the Kindergarten and Child Care Centre Fee Remission Scheme**

The Education Bureau (EDB) proposes raising the fee remission ceilings from the existing 75th percentile to the 100th percentile of the school fees of kindergartens (KG) joining the KG education scheme (Scheme) so that parents eligible for full remission need not pay the difference between the remission ceiling and the actual fee starting from the 2022/23 school year.

Background

2. In principle, government subsidy is sufficient for Scheme-KGs to provide quality half-day (HD) KG education according to the standards prescribed by the Government. Some HD KGs need to collect school fees under individual circumstances, for instance, expenses on rent not fully covered by Government subsidy. As regards whole-day (WD) programmes, on the principle of co-payment between the Government and parents, KGs will have to charge school fees. That said, with additional subsidy from the Government, the school fees for WD programmes should be at a low level. The EDB vigorously vets every KG's application for collection of school fees. Only necessary expenses with strong justifications will be recognised. Fee ceilings are also set¹⁶. Since the implementation of the Scheme in the 2017/18 school year, around 90% of HD KGs are free of charge and the WD school fees are maintained at a low level (the median school fees per instalment from the school years of 2017/18 to 2019/20 were \$730, \$790 and \$820 respectively).

3. Parents with financial needs may apply for fee remission under the Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS), which is subject to means test. Currently, the fee remission ceiling is set at the 75th percentile of the respective school fees of HD and WD programmes. The remission rates are 100%, 75% or 50% of the actual fee payable or the fee remission ceiling¹⁷, whichever is lower. This arrangement has been adopted since 2014/15 school year (when the Scheme has not been implemented).

¹⁶ In the 2021/22 school year, the fee ceilings for HD and WD KGs are set at \$10,820 and \$28,140 per student per annum respectively.

¹⁷ In the 2020/21 school year, the fee remission ceilings are \$5,400 for a HD place and \$15,100 for a WD place per annum.

Enhancing support to needy parents

4. Currently, the aforementioned fee remission ceiling is set at the 75th percentile of the respective school fees of HD and WD Scheme-KGs joining the Scheme. For KGs charging fees above the remission ceiling, parents have to pay the difference even if they are receiving full fee remission. There were views that support to families with financial needs should be enhanced. In the 2020/21 school year¹⁸, there are about 24 600 successful applications for KCFRS and 140 Scheme-KGs charge school fees above the 75th percentile¹⁹. The number of HD and WD/Long WD students paying school fees after receiving full fee remission are about 100 and 2 500 respectively.

5. Taking into account the following factors, it is proposed to enhance the support to needy parents by raising the fee remission ceiling to the 100th percentile of the respective school fees for HD and WD Scheme-KGs so that parents passing the means test as eligible for full fee remission could have genuine full fee remission:

- (i) These parents have passed the means test hence proven to be in need of financial support;
- (ii) School fees of every KG are rigorously vetted by the EDB;
- (iii) It is encouraged that KG students to attend schools near their place of residence, and choices for parents could be increased.

6. Consequential to raising the ceiling for full fee remission, the remission level for 75% and 50% remission will also be raised accordingly, hence benefitting these students as well. Taking the 2020/21 school year as reference, it is estimated that about 4 800 KG students, including those who are receiving 100%, 75% and 50% fee remission, will benefit from the proposed enhancement, which incurs additional expenditure of about \$19 million per annum.

Implementation Plan

7. According to the prevailing practice, the fee remission ceilings for a school year are announced in September each year through the website of Students Finance Office under the Working Family and Student Financial Assistance Agency.

¹⁸ As at 31 July 2021.

¹⁹ Among the 140 Scheme-KGs, 6 offer HD programmes, 131 offer WD programmes and 3 offer both HD and WD programmes.