

LCQ11: Measures to support kindergarten operators

Following is a question by the Hon Chu Kwok-keung and a written reply by the Secretary for Education, Mr Kevin Yeung, in the Legislative Council today (February 23):

Question:

With the local birth rate declining in recent years, coupled with the impacts of the epidemic and emigration tide, there have been successive cases of kindergartens having to cut staff and being at risk of ceasing operation due to under-enrolment. In view of the onslaught of the new wave of the epidemic, the Education Bureau announced another round of suspension of face-to-face classes for kindergartens. It is learnt that there has been a wave of student dropouts from pre-nursery classes of quite a number of kindergartens. This, coupled with the uncertainty over the date for class resumption, has put additional pressure on the operation of kindergartens. In this connection, will the Government inform this Council:

(1) given that kindergartens will not be able to resume face-to-face classes in the short term amid the severe epidemic situation, of the measures that the Government has put in place to assist kindergarten operators in tiding over the difficult times;

(2) whether it knows the financial situations of non-profit-making and private kindergartens in Hong Kong, and the number of kindergarten teachers who were laid off, in the past two years; whether it will provide financial support for kindergartens with financial difficulties, so as to avoid an extensive wave of closures of kindergartens and layoffs of their employees; and

(3) as quite a number of kindergarten operators have relayed that under the kindergarten education scheme, the increase in the rate of unit subsidy, which is calculated on a per student basis, and the rate of tuition fee increases allowed for kindergartens, are both too low, whether the Government will increase the unit subsidy rates and relax the restrictions on tuition fee increases?

Reply:

President,

It is beyond doubt that the Government attaches great importance to kindergarten (KG) education and has put in substantial resources to provide high quality, affordable and diversified KG education for students. Since the implementation of the kindergarten education scheme (the Scheme) starting from the 2017/18 school year, the Government's subsidies provided to KGs have

increased substantially from about \$4 billion before the implementation of the Scheme to about \$6.7 billion annually. Meanwhile, we have kept in view students' and KGs' needs, enhanced teaching and provided additional grants to facilitate the sustainable development of KGs.

Our reply to Hon Chu Kwok-keung's question is as follows:

(1) and (2) KGs in Hong Kong are privately run and KG education is not mandatory, and not a prerequisite for admission to primary schools. Hence, their operation has been market-driven all along. The Education Bureau (EDB) provides substantial subsidies for KGs joining the Scheme (Scheme-KGs) (for the 2021/22 school year, the annual subsidies for half-day (HD), whole-day (WD) and long whole-day (LWD) KGs are \$36,150, \$47,000 and \$57,840 per student respectively) to enhance the quality of education and alleviate parents' financial burden. About 90 per cent of HD KGs remain free of charge. Despite the fact that face-to-face classes have been suspended or could be conducted on a HD basis only due to the epidemic, government subsidies for KGs are still disbursed based on the number of eligible students holding valid Registration Certificates. Subsidies have not been reduced.

Besides, to address the needs of KGs, the EDB has provided additional support in various aspects including:

(i) Providing additional subsidies for all KGs (including KGs not joining the Scheme) for five times to support their anti-epidemic measures and alleviate their financial difficulties under the epidemic. Details are as follows:

Date	Amount of Subsidy	Remarks
March and April 2020	(1) \$10,000 to \$15,000 (2) \$60,000 to \$160,000	(1) For procuring epidemic prevention equipment, cleaning the school premises and paying for other expenses related to epidemic prevention (2) One-off Support Grant
November 2020	\$30,000 to \$80,000	The third round of the Anti-epidemic Fund
February 2021	\$60,000 to \$160,000	The fourth round of the Anti-epidemic Fund
January and February 2022	\$30,000 to \$80,000	The fifth round of the Anti-epidemic Fund
March 2022	\$60,000 to \$160,000	The sixth round of the Anti-epidemic Fund

(ii) To support KGs in facilitating students' learning at home, the EDB implemented the Do It Yourself Handicraft and Learning Package Scheme for Scheme-KGs in the 2020/21 school year. Depending on KGs' sizes, they are eligible to apply for a grant capped at \$50,000 or \$80,000 to produce home-

learning materials and packages for students.

(iii) To encourage KG students to make good use of the time to read while learning at home, the EDB launched the Gift Book Scheme for Scheme-KGs in the 2020/21 and 2021/22 school years. The amount of grant is calculated at a rate of \$100 per student per year for KGs to purchase books as a gift for students, and implement exchange/share book schemes, to encourage students to read more.

(iv) To help parents of non-Chinese speaking (NCS) students grasp more information about KGs, the EDB provided a one-off Website Enhancement Grant of \$10,000 to \$20,000 for all Scheme-KGs in the 2020/21 school year to encourage them to provide more information in Chinese and English on their websites.

(v) In August 2021, an additional one-off subsidy capped at \$3,000 was provided for Scheme-KGs to purchase national flags and movable flagpoles to teach students to understand the national flag and the etiquette of the flag raising ceremony at an early age.

On the other hand, the EDB commenced a review of the Scheme in 2019. Upon examining in detail various issues with the sector, the results of the review were announced in August 2021. To strengthen support for the sustainable development of KGs on various fronts, relevant enhancement measures have been progressively implemented, including:

(i) Extending the Relocation Grant (\$1.5 million) (Note 1) to the 2022/23 school year, encouraging KGs in districts with aged population, with old school premises or paying high rental cost to relocate;

(ii) Increasing the quota for the Renovation Grant (\$0.5 million for each KG)(Note 2) from the original 50 to 250 in the 2021/22 school year ;

(iii) Regarding rental subsidy, some KGs need to undergo transition from 100 per cent rental reimbursement in the past to "dual" caps under the Scheme and the four-year grace period should have expired at the end of the 2020/21 school year. The EDB has extended the grace period for two years (i.e. 2021/22 and 2022/23 school years), during which the amount of subsidy is decreased by 15 per cent each year to facilitate schools' gradual transition to "dual" caps;

(iv) Providing a one-off Professional Capacity Enhancement Grant for Scheme-KGs in the 2021/22 school year to support KGs' implementation of school-based projects for enhancing the capacity of KG teachers and facilitating their professional development. Successful KG applicants will be provided with a subsidy of \$100,000 to \$200,000 depending on their sizes; and

(v) Providing an additional one-off subsidy of \$90,000 to \$100,000 to KGs in the 2021/22 school year to encourage them to kick start and organise structured parent education programmes, establish Parent-Teacher Associations, and set up or enhance a designated webpage "Resources for

Parents" on their school websites in the next five years.

On teacher manpower, the teacher to pupil ratio for KGs has been substantially enhanced from 1:15 (including the principal) to 1:11 (excluding the principal) under the Scheme. It is natural that the decline in student population in recent years leads to corresponding decline in the demand for teachers. However, the Government allows KGs to deploy their resources flexibly. On the premise that their HD programmes are free of charge and fees for WD programmes are maintained at a low level, KGs are allowed to flexibly deploy resources to employ additional teachers. Currently, about 1 000 additional teachers are employed by some 760 Scheme-KGs. KGs may decide on the number of teachers to be employed in the light of their actual circumstances and needs while teachers may resign for various reasons. Thus, it is normal to have KG teachers joining the profession, changing jobs or resigning. We have not collected information on teachers being laid off by KGs. From September 2021 until now, eight KGs cease to operate in, or by the end of, this school year, including one KG which merged with another KG. Yet, in the meantime, two KGs are newly registered and six applications from KGs for school registration are being processed. There is no abnormality observed at the moment. We will closely monitor the situation, maintain communication with the sector and render appropriate support.

(3) Under the Scheme, unit subsidy covers teaching staff salaries, supporting staff salaries and other operating costs. The Government also provides additional school-specific grants, including premises maintenance grant, rental subsidy, grant for a cook, tide-over grant, and grant for support to NCS students to cater for the diverse needs of individual KGs or students. The salary-related subsidies for teaching staff are adjusted based on the civil service pay adjustment on a school year basis, while other subsidies are adjusted based on the Composite Consumer Price Index.

The Government provides Scheme-KGs with direct subsidy according to the number of eligible students in the form of a basic HD unit subsidy, and KGs offering WD and LWD services will receive an additional subsidy of 30 per cent and 60 per cent respectively. In principle, the Government subsidies should be sufficient for Scheme-KGs to provide quality HD services. At present, about 90 per cent of HD KGs are free of charge. As for the WD and LWD KG services, parents need to pay for the school fees on the co-payment basis between the Government and parents. However, given that the Government has already provided additional subsidies, the overall school fees are at a low level.

On the revision of school fees, starting from the school fees for the 2021/22 school year, the EDB implemented simplified procedures for applications for charging no school fees, freezing or reducing school fees. Schools are only required to submit simple information, such as declaration of school supervisor, number of students and proposed fees. Starting from the school fees for the 2022/23 school year, the simplified procedures are expanded to cover KGs proposing fee increases not exceeding specified levels. For applications of fee revision exceeding these levels, individual KGs could submit information of their estimated expenditures (including the number and

salaries of teachers and different types of supporting staff as well as other operational expenses such as premises maintenance and rental expenses). We need to take into account the affordability of parents and operational needs of KGs and exercise prudence in approving the school fees based on relevant data and the financial situation of KGs.

On the whole, subsidy rates under the Scheme are determined based on the mode of operation and the cost of the sector before implementation of the Scheme to meet the circumstances of schools at that time. Individual schools may need adjustment due to its own circumstances. We are pleased to continue our dialogue with the sector pragmatically, and keep making refinements to the Scheme with a view to providing high quality services to students.

Note 1: Originally implemented in the 2020/21 and 2021/22 school years.

Note 2: Originally implemented in the 2020/21 and 2021/22 school years with the annual quota of 50.