

**Education Bureau Circular No. 7/2016  
Free Quality Kindergarten Education**

[Note: This circular should be read by -

- (a) Supervisors and Heads of Kindergartens, Kindergarten-cum-Child Care Centres and Schools with Kindergarten Classes - for action; and
- (b) Heads of Sections - for information.]

**SUMMARY**

This circular sets out the key features of the free quality kindergarten (KG) education policy to be implemented with effect from the 2017/18 school year and criteria for KGs to join the Free Quality KG Education Scheme (Scheme), and invites application from eligible KGs, KG-cum-child care centres and schools with KG classes (collectively referred to as “KGs” hereafter) to join the Scheme in the 2017/18 school year.

**BACKGROUND**

2. In an effort to provide affordable and quality KG education to all eligible children, the Government introduced the Pre-primary Education Voucher Scheme (PEVS) in 2007. Under PEVS, parents are provided with direct fee subsidy, in the form of vouchers, to ease their financial burden and enhance their choice of KGs. For measures on enhancing the quality of KG education, among others, starting from the 2009/10 school year, all newly appointed KG principals must have a bachelor degree in Early Childhood Education and as from the 2012/13 school year, KGs under PEVS should employ sufficient teachers with a Certificate in Early Childhood Education on a teacher to pupil (TP) ratio of 1:15.

3. Provision of 15-year free education and quality KG education is one of the priorities of the current-term Government. In the 2016 Policy Address, the Chief Executive announced the implementation of free quality KG education policy starting from the 2017/18 school year. Specific measures are set out in the ensuing paragraphs.

## **DETAILS**

### **Policy objectives**

4. The new free quality KG education policy will replace PEVS 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.

### **Key features**

5. Under the new policy, eligible local non-profit-making (NPM) KGs joining the Scheme will be provided with a basic subsidy for the provision of three-year quality half-day (HD) service for all eligible children. Scheme-KGs will be required to sign an undertaking, agreeing to fulfill the terms and conditions as set out at Appendix 1. Implementation details are set out at Appendices 2 to 10. Existing evidence from researches and studies precludes drawing conclusions that whole-day (WD) programmes are more favourable to young children than HD programmes. Studies show that family education plays a crucial and complementary role in shaping young children. A HD programme can achieve the requirements of the curriculum and would allow relatively more family time for young children to play and interact with their family in a less-structured and more relaxing setting to nurture their bonding and sense of security. Notwithstanding this, to unleash the potential of the local labour force under the population policy, an additional subsidy will be provided for participating KGs offering WD and long whole-day (LWD) KG services<sup>1</sup> so that parents will pay a subsidised school fee at a low level.

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<sup>1</sup> LWD KG services refer to those services provided by former aided child care centres (FACs) operated under the Social Welfare Department before Harmonisation of Pre-primary Services in the 2005/06 school year. The FACs usually operate longer service hours.

6. The basic HD unit subsidy covers expenses on salaries for teaching and supporting staff (calculated at the maximum point of the salary ranges for principals and clerks, and mid-point of the recommended salary ranges for other teaching and supporting staff) and other operating costs for HD services. For WD and LWD services, additional subsidy is provided in the light of the need to employ more teaching and supporting staff as well as the increase in operating costs due to longer operating hours. Besides, school-specific grants will be provided to cater for special circumstances of individual KGs. These include rental subsidy, premises maintenance grant, grant for a cook, grant for support to non-Chinese speaking (NCS) students, etc.. The subsidy rates for various grants in the 2017/18 school year are set out at Annex 1 to Appendix 11. In principle, government subsidy should be sufficient for KGs to provide quality HD services, hence KGs participating in the Scheme (Scheme-KGs) should not charge school fees for HD services. Applications for collection of school fees will only be considered on a case-by-case basis with strong justifications and supporting information, such as rental expenditure that cannot be fully covered by government subsidy or the teaching staff salary expenditure cannot be fully covered even with the provision of the tide-over grant. For WD/LWD services, parents should bear part of the additional costs under the co-payment basis between the Government and parents. The fees should be at a low level in the light that additional subsidy is already provided by the Government. Needy families may be granted fee remission (details are set out at Paragraph 4 in Appendix 4). In all circumstances, Scheme-KGs will not be allowed to charge school fees exceeding the ceilings prescribed by EDB. For the 2017/18 school year, based on the amount of basic HD unit subsidy, the school fee ceilings for HD and WD/LWD KG classes for Scheme-KGs are set at \$9,960 and \$25,890 per student per annum respectively.

7. Under the new policy, the quality of KG education will be improved in various aspects through the following measures:

- (a) raising the requirement in TP ratio from the current 1:15 (including the principal) to 1:11 (principal not included) so as to allow teachers more capacity to cater for the diverse needs of students, engage in curriculum development, lesson planning, professional development, communication with parents, etc. KGs are encouraged to establish a career ladder and provide competitive remuneration to retain and attract quality teachers. In this connection, we will provide a salary

range for each position for KGs to determine the remuneration of their staff within the range;

- (b) upgrading teachers' professional competence through various means including developing a continuous professional development policy; formulating a Teacher Competencies Framework and a Principal Competencies Framework; and revising the Certification Course for KG principals;
- (c) reviewing the Guide to the Pre-primary Curriculum, taking into consideration the experience of learning and teaching in KGs, the changes of society and future needs;
- (d) refining the Quality Assurance Framework; enhancing the governance and transparency of KGs, and the EDB stepping up monitoring;
- (e) strengthening the support for students from needy families, NCS students, and students with diverse learning needs;
- (f) enhancing parent engagement and parent education; encouraging more researches to facilitate the KG sector's understanding of the latest trends in children development, learning needs of children and development in KG education; and
- (g) improving school premises and facilities, and exploring feasible measures to increase the provision of KG premises in the long run.

## **Eligibility criteria for joining the Scheme**

### Eligibility of children

8. Every child, aged at or above two years and eight months before the start of the school year (i.e. 31<sup>st</sup> August) in which they are admitted to a KG, and with the right of abode, right to land or valid permission to remain without any condition of stay (other than the limit of stay) in Hong Kong, will be eligible.

### Eligibility of KGs

9. To join the Scheme, KGs registered under the Education Ordinance (Cap. 279) should meet the following eligibility criteria:

- (a) being a NPM KG exempted from tax under Section 88 of the Inland Revenue Ordinance (Cap.112);
- (b) offering a full local curriculum<sup>2</sup> 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 (QR)). For KGs not yet undergone the QR, we would consider favourably other factors, for instance, (i) new KGs having been allocated school premises under EDB's merit-based competitive School Allocation Exercise/Selection Exercise under The LINK; (ii) new KGs being operated by school sponsoring bodies (SSB) that currently operate other KGs of good quality; or (iii) KGs with track records showing that EDB is satisfied with their overall operating standards.

10. Scheme-KGs will be required to sign an undertaking<sup>3</sup>, agreeing to fulfill the terms and conditions as set out at Appendix 1. Among others, Scheme-KGs are required to accept any adjustment made by EDB to the approved school fee in consideration of the amount of government subsidy utilised under the Scheme, meet the requirements in TP ratio, teachers' qualifications and remuneration, transparency in governance and financial management, etc. as specified in the Appendices of this circular and circulars/guidelines issued by EDB from time to time. Should there be mal-practices and non-compliance of the terms and conditions, and repeated failure to rectify the irregularities with prior notice and reasonable time allowed for remedial action, EDB will take actions, including the issuing of warning letters to be followed by revocation of its eligibility under the Scheme. For such cases, any subsidy to the KG under the Scheme would cease and the funding released would be clawed back, as appropriate.

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<sup>2</sup> Offering a full local curriculum refers to operation of classes covering all kindergarten levels of nursery (K1), lower kindergarten (K2) and upper kindergarten (K3) and adopting a curriculum in accordance with the latest curriculum guide for KGs issued by the Curriculum Development Council (to be completed by end of 2016). Individual exceptional cases, such as new KGs operating K1 classes only but with specific plans to operate K2 and K3 classes progressively, will be considered on individual merits.

<sup>3</sup> As a medium- to long-term arrangement, EDB will review the arrangement of signing the undertaking by KGs.

## **Implementation details**

11. Under the new KG education policy, EDB will provide subsidy for Scheme-KGs direct. Implementation details are set out in the following Appendices of this circular:

Appendix 2: Staffing, remuneration and career ladder for KG teachers

Appendix 3: Government subsidy

Appendix 4: Non-government funding

Appendix 5: Governance and monitoring

Appendix 6: Quality assurance

Appendix 7: Professional development of KG teachers and principals

Appendix 8: Accounting arrangements

Appendix 9: Student admission

Appendix 10: Catering for students with diverse needs

Appendix 11: Application for joining the Free Quality Kindergarten Education Scheme

## **APPLICATION**

12. All registered NPM KGs offering a full local curriculum (irrespective of whether they are currently joining PEVS) are invited to apply for participation in the Scheme in the 2017/18 school year. Applicant KGs are required to complete the application form at Appendix 11 and return it to the Kindergarten Administration Section on or before 15 September 2016. For continued or new participation in the Scheme after the 2017/18 school year, circular memorandum will be issued annually to invite applications.

## **TRANSITIONAL ARRANGEMENTS**

13. For KGs joining PEVS in the 2016/17 school year but not applying to join this new Scheme or not approved to join the Scheme, their eligible students

admitted before the 2017/18 school year and remaining in the eligible classes under PEVS (i.e. eligible K2 and K3 classes in the 2017/18 and K3 classes in the 2018/19 school year) will continue to receive the voucher subsidy under PEVS until they leave the KGs concerned. The KGs concerned are also required to comply with the terms and conditions of PEVS as appropriate until the end of operation of all eligible classes or all existing eligible students have left the KG concerned, whichever is earlier.

14. For a KG approved to join the Scheme for the 2017/18 school year or the school year thereafter, its students eligible under PEVS will be subsidised under the new Scheme, instead of PEVS.

### **BRIEFING SESSIONS AND ENQUIRIES**

15. To facilitate KGs' understanding of the details of the Scheme and preparation for application to join the Scheme, EDB will conduct briefing sessions and workshops on planning and budgeting under the Scheme in late July/early August 2016. Invitation letters with details of the briefing sessions and workshops will be issued to all KGs in due course. For school-specific enquiries, please contact the respective Senior School Development Officer/Senior Services Officer.

C S WOO  
for Permanent Secretary for Education

**Terms and Conditions  
for Joining the Free Quality Kindergarten Education Scheme (“Scheme”)**

**1 Term**

- 1.1 If a kindergarten/kindergarten-cum-child care centre/school with kindergarten classes is approved by the Government of the Hong Kong Special Administrative Region (“**Government**”) to join the Scheme (referred as “**the Scheme-KG**”), the term of being a Scheme-KG will normally be one year, i.e. counting from the commencement date of the school year in which such approval is to take effect until the end of such school year, subject to any earlier termination in accordance with these terms and conditions (referred as “Scheme Validity Period”). Throughout the Scheme Validity Period and thereafter (where applicable), the Scheme-KG shall fulfill and meet all the requirements and specifications set out in Education Bureau Circular No. 7/2016 dated 20 July 2016 on “Free Quality Kindergarten Education” (“EDBC No. 7/2016”) and all Appendices 1 to 11 to such Circular (including but not limited to these terms and conditions as set out below (“Terms and Conditions”)), the Undertaking and Declaration signed by the KG at the time of application to join the Scheme, and all other circulars or guidelines issued by the Education Bureau (EDB) from time to time (collectively “Terms of the Scheme”).
- 1.2 The Scheme Validity Period shall automatically come to an end upon its expiry. The Scheme-KG may apply to EDB in writing for continued participation in the Scheme within a period specified by EDB before the Scheme Validity Period expires. The Scheme-KG shall otherwise inform EDB in writing of its decision to discontinue its participation in the Scheme within a period specified by EDB before the Scheme Validity Period expires.

**2 Rules and regulations for operation and management**

Throughout the Scheme Validity Period, the Scheme-KG shall:



- 2.1 be a non-profit-making kindergarten by being either an approved organisation exempt from taxes under Section 88 of the Inland Revenue Ordinance (Cap. 112) (“IRO”) or an approved subsidiary to an organisation exempt from taxes as recognised by the Inland Revenue Department (“IRD”) under the IRO as proved by a certificate or confirmation letter issued by the IRD;
- 2.2 offer a full local curriculum in accordance with the latest curriculum guide for kindergartens issued by the Curriculum Development Council of Hong Kong;
- 2.3 meet the quality requirements as specified by EDB from time to time. Upon EDB’s request, the Scheme-KG shall submit School Report(s) to EDB in the format as agreed by EDB within a period specified by EDB in writing;
- 2.4 meet the transparency requirement by disclosing its key operational details (including but not limited to the name of its approved supervisor and principal, the overall number, qualifications and salary range of the principal and teachers, student enrolment, school facilities and activities, the curriculum, school finance information, school fees, application fee, registration fee and any reference prices for school items sold and paid services provided). The Scheme-KG shall also consent to publish such information in the Profile of Kindergartens and Kindergarten-cum-Child Care Centres issued by EDB and upload such information onto the EDB website;
- 2.5 not charge a school fee for a half-day place where various government subsidies available to the Scheme-KG are sufficient to cover all operating expenses as recognised by EDB;
- 2.6 subject to Clause 2.5, in the case of charging any school fee, accept any adjustment made by EDB to the approved school fee in consideration of the Scheme-KG’s expenditure and the amount of government subsidies utilised under the Scheme. Besides, school fee charged by the Scheme-KG must not exceed the respective fee ceilings for a half-day place, a whole-day place and a long whole-day place as specified from time to time by EDB for the purpose of the Scheme ;
- 2.7 the fee for lodging an application for admission (application fee) and

the fee for registration of a school place offered (registration fee) shall not exceed the approved ceilings as specified by EDB in writing from time to time;

- 2.8 remunerate qualified teaching staff employed within the required teacher-to-pupil ratio within the salary range specified by EDB, and designate a percentage of the total amount of the basic half-day unit subsidy and additional subsidy for whole-day and long whole-day services (as mentioned in Clause 5.2 below) received under the Scheme as specified by EDB as the salary portion which must be expended solely on the remuneration of teaching staff. Use of the salary portion for any other purpose is not allowed;
- 2.9 comply with the standing administrative directives on staffing including but not limited to teacher-to-pupil ratio, teachers' and principals' qualifications and remuneration principles;
- 2.10 not transfer any income or donation or subsidy or grant or any other form of property, in whatever form, to any person including its sponsoring body, members of its management committee, its related parties or other organisations; and all such income, donation, subsidy, grant and any other property shall be used solely for the purpose of operating the Scheme-KG. Use for any other purpose is not allowed;
- 2.11 not use the government subsidies and non-government funds for speculative investment;
- 2.12 provide half-day and/or whole-day places as requested by EDB under special circumstances with regard to EDB's overall planning of KG places;
- 2.13 comply with the guidelines and/or standing administrative directives on admission arrangements as specified by EDB from time to time;
- 2.14 if the Scheme-KG is recognised by EDB to operate long whole-day service during the Scheme Validity Period, provide family support services for needy families as necessary, including
  - (i) operating long whole-day classes at all kindergarten levels of nursery (K1), lower kindergarten (K2) and upper kindergarten (K3);
  - (ii) offering services from 8 am to 6 pm on Mondays to Fridays and

8 am to 1 pm on Saturdays; during school holidays and inclement weather including Tropical Cyclone Warning Signal No. 3 or Red Rainstorm Warning Signal; and

(iii) providing ancillary services: extended hours service or occasional child care service or integrated programme for mildly disabled children as required.

2.15 ensure that its representatives, employees, agents and consultants shall not make or give any specific gifts, discount, rebates or any other concession or financial inducements of whatsoever form to parents or any other persons in return for such parents or persons requiring or inducing the students enrolling in the Scheme-KG;

2.16 at all times comply with the Education Ordinance (Cap. 279), Education Regulations (Cap. 279A), other statutory requirements and administrative requirements or directions applicable to kindergarten/kindergarten-cum-child care centre/school with kindergarten classes as specified as well as circulars, circular memoranda, relevant letters and guidelines from time to time issued by EDB, and maintain an operating standard in both management and professional aspects acceptable to the Government;

2.17 be subject to periodic checks against the Scheme-KG's compliance with the Terms of the Scheme and assessment of the operating standard by officers or agents of the Government. The Government shall require the Scheme-KG to draw up and implement a plan to overcome the problems identified within a reasonable period as specified by the Government, monitor the progress of implementation and conduct follow-up checks as requested; and

2.18 inform EDB in writing together with all the related documents in the first instance when there are any changes in its status or operation, which makes it no longer eligible for the Scheme, including but not limited to its supervisor no longer holding the office, its non-profit-making status that shall affect its eligibility under the Scheme. EDB reserves the right to withhold the subsidy should the changes so warrant, for instance the Scheme-KG ceases to have the non-profit-making status.

### **3 Management Committee's role and composition**

3.1 The management committee of a Scheme-KG shall be responsible for managing the Scheme-KG. The Scheme-KG shall draw up plans to enhance its accountability and transparency, for example, by inclusion of different stakeholders (such as representatives of the school sponsoring body, the principal and other stakeholders, etc. as appropriate) in its management committee as a medium- / long-term arrangement.

### **4 Resigning of the Undertaking and Declaration**

4.1 When the supervisor of the Scheme-KG who signed the Undertaking and Declaration at the time of application no longer holds the office, the Scheme-KG shall ensure the subsequent supervisor will sign a new Undertaking and Declaration in the form and substance as specified by the Government in order to remain eligible for the Scheme for the remainder of the Scheme Validity Period.

### **5 Payment of subsidies**

5.1 Subject to the Scheme-KG's due and punctual compliance with all Terms of the Scheme, subsidies will be released according to the Terms of the Scheme.

5.2 Each Scheme-KG will be paid basic half-day unit subsidy. If whole-day and long whole-day services are provided, additional subsidy will be provided. The amount of subsidy is based on the rates as specified by EDB and number of Eligible Students holding a valid certificate as recognised by EDB ("a Valid Certificate") and enrolled to K1, K2 and K3 classes adopting local curriculum ("Eligible Students"). A Valid Certificate refers to a "Registration Certificate for Kindergarten Admission" or a "Certificate of Eligibility for the Pre-primary Education Voucher Scheme" issued by the education authority which remains valid throughout the Scheme Validity Period.

## **6 Rules and regulations for the use of subsidies**

- 6.1 In addition to EDBC No. 7/2016 and its Appendices, the Scheme-KG shall deploy subsidies according to the Terms of the Scheme as specified from time to time by EDB including but not limited to circulars and letters issued from time to time.
- 6.2 The Scheme-KG shall observe the reserve ceilings and claw back arrangements of each grant as specified by EDB;
- 6.3 Notwithstanding anything provided herein, EDB reserves the right to make any adjustments in the subsidies payable to the Scheme-KG to recoup any overpayment previously made by EDB under the Scheme to the Scheme-KG (whether released within or outside the current Scheme Validity Period), and upon EDB's request, the Scheme-KG shall repay the extra amounts paid by EDB under the Scheme.
- 6.4 The Scheme-KG shall ensure that subsidies under the Scheme shall be used on the operation of non-profit-making kindergarten education adopting full local curriculum. The subsidies shall not be used to subsidise any other activities of whatsoever nature, including but not limited to child care services provided to children aged 0 to 3 years and classes offering non-local curriculum.
- 6.5 In case of use of the subsidies under the Scheme is breaching any requirement of the Terms of the Scheme (regardless of whether the subsidies were released within or outside the Scheme Validity Period), without prejudice to other rights and powers of the Government and the Permanent Secretary for Education, EDB reserves the right to demand the refund of the improperly spent subsidies within the period and in the amount as specified by EDB in writing, or reduce the subsidy amount payable to the Scheme-KG for the remainder of the Scheme Validity Period or any future Scheme Validity Period.

## **7 Books and records**

- 7.1 The Scheme-KG shall keep a proper, timely and separate set of books and records for government subsidies and non-government funds including all income, expenditure and transactions and all information and documents relating to the operation of the Scheme-KG during the

Scheme Validity Period and for a minimum period of seven years thereafter. The Scheme-KG shall maintain the books and records in such a manner so as to enable the production of statements as stated in Clause 7.3 below.

- 7.2 The Scheme-KG shall ensure that the Government and its authorised representatives (including without limitation the officers and agents of EDB and the Director of Audit) shall be allowed access to all or any of the books, records, information and documents for conducting audit (including value for money audit), inspection, verification, copying or otherwise for the purpose of administration and monitoring the operation of the Scheme from time to time upon reasonable notice during the Scheme Validity Period plus the seven-year period thereafter, or upon closure of the Scheme-KG (whichever is applicable).
- 7.3 The Scheme-KG shall submit to EDB at the end of each school year in which subsidies are paid under the Scheme or after its closure (whichever is applicable) a copy of audited accounts in respect of the whole school year in the format and at a date as specified by EDB. Each set of audited accounts shall be audited by a certified public accountant (practicing) as defined in the Professional Accountants Ordinance (Cap. 50) and give a true and fair view of the state of affairs of the Scheme-KG as at the balance sheet date and of its financial result, cash flows and balances of individual subsidy account for the school year then ended.

## **8 Termination of Scheme-KG's eligibility**

- 8.1 If the Scheme-KG fails to comply with or observe any of the Terms of the Scheme, EDB is entitled to revoke its status as a Scheme-KG by notice in writing to this KG ("Revocation") and cease to grant any subsidy to this KG under the Scheme.
- 8.2 Without prejudice to EDB's power under Clause 8.1, in the event that the Scheme-KG fails to comply with or observe any of the Terms of the Scheme, EDB may defer or stop the payment of all or any of the subsidies to the Scheme-KG and may by notice in writing to the Scheme-KG directing or requiring it to make good and rectify the

non-compliance in accordance with such directives or requirements by the date as specified by EDB in the notice. The Scheme-KG shall comply with such directives and requirements.

- 8.3 Unless with EDB's agreement, the Scheme-KG is not allowed to withdraw early from the Scheme before the end of the Scheme Validity Period. The Scheme-KG's eligibility for the Scheme shall terminate upon its closure.
- 8.4 If the Scheme-KG wishes to withdraw from the Scheme (including as a result of its intended closure), it shall inform EDB in writing at least nine months before the effective date which should tie in with the commencement of the new school year.
- 8.5 In the following case that directly or indirectly leads to, or in connection with, or that relates to in any way:
- (i) any non-compliance by the Scheme-KG of any of the provisions of the Terms of the Scheme; or
  - (ii) the negligence, recklessness, or willful misconduct on the part of the Scheme-KG or on the part of the Supervisor or the management committee or any employee, agent or consultant of the Scheme-KG in the operation or implementation of the Scheme,

the Scheme-KG shall indemnify and keep indemnified the Government from and against:

- (a) all liabilities (including liability to pay compensation and damages), damage, losses, costs, charges and expenses which the Government may sustain or incur (including all legal and other costs, charges, and expenses, on a full indemnity basis, which the Government may pay or incur in relation to any claim, action or proceeding instituted by, or against, the Government); and
- (b) all and any claims, actions, investigations, demands, proceedings, threatened, brought or instituted against the Government (whether or not settled) (collectively "Third Party Claims") and everything stated in (a) above arising from these Third Party Claims.

## **9 Consequences of Closure, Revocation, Voluntary Withdrawal or Expiry of Scheme Validity Period**

- 9.1 Notwithstanding closure, Revocation, voluntary withdrawal of the Scheme-KG or expiry of the Scheme Validity Period, these Terms and Conditions which expressly or by implication are intended to continue in force after such closure, Revocation, voluntary withdrawal or expiry of the Scheme Validity Period shall continue to have full force and effect and continue to be binding on the KG.
- 9.2 Upon the closure of a Scheme-KG, items purchased out of subsidies shall be at EDB's discretion for disposal. Under normal circumstances, the Scheme-KG may transfer the items to other Scheme-KGs in need of them, or donate them to charitable organisations if no other Scheme-KG is found suitable for receiving these items. The Scheme-KG shall request a formal receipt from the Scheme-KGs or charitable organisations concerned and submit the certified true copy of the receipt to their respective School Development Sections or Joint Office for Kindergartens and Child Care Centres for record purpose.
- 9.3 Upon closure of a Scheme-KG, the Scheme-KG shall return the unspent balance of each grant in full within the period as prescribed by EDB in writing in the amount as shown in the audited accounts as mentioned in Clause 7.3.
- 9.4 If a Scheme-KG is rejected by EDB to join the Scheme, including but not limited to Revocation as mentioned in Clause 8.1 or a Scheme-KG's application for continued participation in the Scheme under Clause 1.2 is rejected by EDB in writing, unless the KG has ceased operation, subsidies under the Scheme will still be paid to the KG, with the amount determined by the number of Eligible Students as defined in Clause 5.2 who have been attending the eligible classes under the Scheme or have been newly enrolled to the eligible classes of the next school year before the effective date of EDB's rejection of joining the Scheme (collectively referred to as "Existing Eligible Students" hereafter). The number of eligible classes will be reduced from year to year starting from the full school year immediately after the effective date (i.e. eligible K1, K2 and K3 classes of the first full school year after the effective date, eligible K2 and K3 classes of the



second full school year, and eligible K3 classes of the third full school year). Only those Existing Eligible Students remaining in the eligible classes as from the effective date shall be counted for the calculation of subsidies until they leave the KG, and the KG shall handle school fee matters in respect of the Existing Eligible Students according to the Terms of the Scheme (including Clauses 2.5 and 2.6). The KG is required to fully comply with all Terms of the Scheme as long as subsidies are being paid under the aforesaid conditions.

- 9.5 If a Scheme-KG is approved by EDB to withdraw from the Scheme, including but not limited to Voluntary Withdrawal under Clauses 8.3 and 8.4, or informs EDB in writing of its decision to discontinue its participation in the Scheme under Clause 1.2, unless the KG has ceased operation, subsidies under the Scheme will still be paid to the KG, with the amount determined by the number of Eligible Students as defined in Clause 5.2 who are attending the eligible classes in the school year immediately before the effective school year in which EDB's approval to withdraw from the Scheme takes effect (referred to as "Existing Eligible Students" hereafter). The number of eligible classes will be reduced from year to year starting from the effective school year (i.e. eligible K2 and K3 classes of the effective school year, and eligible K3 classes of the school year following the effective school year). Students who are newly enrolled to studies of the effective school year shall not be counted as Existing Eligible Students for calculating the amount of subsidies, notwithstanding their status as Eligible Students under Clause 5.2. The KG shall forthwith inform the parents of the affected newly-enrolled students about the KG's decision on withdrawal, and address their concern reasonably and properly. Only those Existing Eligible Students remaining in the eligible classes as from the effective school year shall be counted for the calculation of subsidies until they leave the KG, and the KG shall handle school fee matters in respect of the Existing Eligible Students according to the Terms of the Scheme (including Clauses 2.5 and 2.6). The KG is required to fully comply with all Terms of the Scheme as long as subsidies are being paid under the aforesaid conditions.
- 9.6 Under the situation mentioned in Clauses 9.4 and 9.5, when no further subsidies are payable because of the end of operation of all eligible classes or all Existing Eligible Students having left the KG, the KG

shall comply with EDB's instructions on the disposal of items purchased out of the subsidies. This KG shall also return the unspent balance of each of the subsidies in full within the period as specified by EDB in writing in the amount as shown in the audited accounts as mentioned in Clause 7.3.

## **10 General**

10.1 The Scheme-KG shall comply with all instructions and directives as EDB may from time to time issue in relation to the Scheme.

10.2 All rights and powers of the Government hereunder may be exercised by the Permanent Secretary for Education for and on its behalf.

## **11 Governing Law and Jurisdiction**

11.1 The Terms of the Scheme shall be governed by and construed in accordance with the laws of Hong Kong and each party agrees to submit to the exclusive jurisdiction of Hong Kong courts.

## **12 Interpretation**

12.1 In these Terms and Conditions, except where the context otherwise requires:

- (a) headings to clauses are for convenience only and do not affect the interpretation of these Terms and Conditions;
- (b) reference to any statute, order, regulation or any circular or directive or guideline or other instrument issued by the Secretary for Education or Permanent Secretary for Education shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, substituted, extended, re-enacted or replaced from time to time and in the case of Ordinance, including all subsidiary legislation from time to time made under it;
- (c) words denoting the singular shall include the plural and vice versa; words denoting any one gender shall include the other

genders; references to any person shall include references to an individual, firm, body corporate or unincorporated (wherever established or incorporated);

- (d) words importing the whole shall be treated as including a reference to any part of the whole;
- (e) any act, default, neglect or omission of the principal, supervisor, manager, any employee, licensee, agent or contractor of the Scheme-KG shall be deemed to be the act, default, neglect or omission of the Scheme-KG;
- (f) the words “include” and “including” shall be construed without limitation to the words “following”; and
- (g) all references to “any” shall be construed to mean “any and all”.

12.2 Except as expressly provided otherwise, all obligations to be performed by the Scheme-KG under the Terms of the Scheme shall be performed at the cost and expense of the Scheme-KG.

12.3 If there is any conflict or inconsistency amongst these Terms and Conditions, the following order of priority shall prevail: (a) the directives or instructions issued by the Secretary for Education or Permanent Secretary for Education given specifically to the Scheme-KG in relation to the Scheme; (b) the general directives or instructions issued by the Secretary for Education or Permanent Secretary for Education generally to all Scheme-KGs in relation to the Scheme ; (c) other Terms of the Scheme.

### Staffing, Remuneration and Career Ladder for KG Teachers

#### (a) Teaching staff

##### *Teacher to pupil ratio*

1. The overall requirement in TP ratio for Scheme-KGs will be raised from 1:15 (including the principal) to 1:11 (principal not included). While Scheme-KGs may have flexibility in maintaining the current arrangements in learning and teaching activities<sup>4</sup>, they are required to appoint teachers to meet the basic requirement in the overall TP ratio of 1:11 so that teachers could have more capacity for various professional activities (such as lesson preparation, development of school-based curriculum, professional collaboration and development, communication with parent and catering for the diverse needs of the students, etc.). In particular, there should be professional collaboration with relevant experts in catering for the diverse needs of students (including those at risk of developmental delay). In this regard, the required number of teachers is calculated on the basis of the total number of students in all sessions as at mid-September<sup>5</sup>, divided by 2 for HD services, and rounded down to integer<sup>6</sup>. Part-time teachers may be employed as appropriate to meet school-based needs.

2. Similar to the existing practice, KGs are required to employ sufficient teachers possessing Certificate in Early Childhood Education [C(ECE)] or above qualifications based on the TP ratio of 1:15. As for teachers on top of the ratio of 1:15 and within the ratio of 1:11, in principle, the same requirement applies. That notwithstanding, in the early years of implementation of the new

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<sup>4</sup> At present, 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.

<sup>5</sup> The enrolment as at mid-September will be taken to calculate the number of teachers required for the respective school year. Should there be a subsequent increase in enrolment, KGs should adjust the number of teachers in the earliest possible opportunity.

<sup>6</sup> For example, a KG with 180 students in each of its AM and PM session as at mid-September will be required to employ 16 teachers, including senior teachers and vice-principal, but excluding the principal. The calculation is  $(180+180) \text{ students} \div 11 \div 2 \text{ sessions} = 16.4$  (rounded down to integer, i.e. 16).

policy, flexibility is allowed for KGs to employ experienced Qualified Kindergarten Teachers already serving in the sector, non-ECE degree-holders, teachers employed for creating a rich language environment in schools, etc. (all of the above teachers must be registered teacher or permitted teacher). For individual KGs with special circumstances, EDB will consider them on a case-by-case basis. We will review the situation in the 2019/20 school year and decide on the need for continuing such flexibility and the afore-mentioned teachers are encouraged to enroll for the recognised ECE courses as early as possible.

3. Given their longer service hours, LWD KGs should suitably employ more teachers having regard to their own circumstances using the additional subsidy provided by the Government and the school fees collected from students. In light of the longer operating hours, the number of teachers would be about 40% more than that of WD KGs.

#### *Career ladder*

4. For retaining and attracting quality teachers and maintaining a stable teaching force for providing quality KG education, a career ladder and competitive remuneration for the teachers are essential. In this regard, a three-level teaching staff structure with principal, senior teachers and class teachers is considered appropriate for a KG. For some KGs, a vice-principal may be needed to assist the principal in overseeing the school administration, curriculum development and operation matters. Given the diversity in the KG sector, KGs should take into account their specific needs to appoint teachers of different ranks commensurate with their scale of operation for which a rigid definition of “large-scale” or “small-scale” KG is not necessary. For reference, out of five class teachers, one of them may be upgraded to a senior teacher, and a senior teacher may be upgraded to vice-principal for KGs having three or more senior teachers. As for the rank of principals, KGs with a vice-principal may set the rank of their principals at Principal I. For KGs with not more than three teachers (i.e. broadly one teacher for each level), the salary range of their principals will be comparable to Vice Principal. For the remaining KGs, the rank of their principals may be set at Principal II. When formulating school-based career ladder (including consideration on the number of senior teachers), KGs should have long-term planning from perspective of overall resources deployment, sustainable development and the implications on

expenditure in the coming years. In principle, EDB would not accept appointment of excessive senior teachers as justification for charging school fee for HD classes.

5. For LWD KGs that are given additional subsidies and are allowed to charge school fees, they can appoint additional number of teachers, thus with additional senior teachers and adjustment to the ranking of the principal to meet the operating need for offering longer hours' service.

6. While the current requirements on qualifications of KG teachers, i.e. C(ECE), will continue, for appointment or promotion to the senior teacher posts, if any, KGs are encouraged to accord priority to suitable teachers with a bachelor degree in early childhood education [BEd(ECE)] or equivalent. It is also preferable that a senior teacher would have relevant professional training<sup>7</sup> in supporting NCS students or students with special needs or at risk of developmental delay. The qualification requirement of KG principals will continue to be BEd(ECE) or equivalent. Details as contained in EDB Circular No. 10/2009 issued on 28 July 2009 will continue to apply. As for vice-principals, they should also be BEd(ECE)-holders or equivalent.

### *Remuneration*

7. To ensure that teaching staff of Scheme-KGs are remunerated reasonably, EDB provides salary ranges for different ranks of teaching staff. Scheme-KGs are not allowed to pay teaching staff salaries below the salary range for the corresponding position for teachers possessing the required qualifications (i.e. C(ECE) or above qualifications). Besides, 60% of the "basic unit subsidy" (including basic HD unit subsidy and additional subsidy for WD and LWD services) is regarded as the salary portion and must be used on teaching staff salaries and related expenses (such as mandatory provident fund, long service payment, etc.). KGs may deploy any portion of the remaining 40% for teaching staff salaries and related expenses, but not vice versa. To encourage schools' optimal use of the subsidy on teaching staff salary, accumulated surplus in the salary portion exceeding the reserve ceiling would be clawed back. Details are set out at [Appendix 8](#).

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<sup>7</sup> For example, apart from the relevant courses offered by other institutions, two new University Grants Committee-funded courses, namely the BEd (Honours) (ECE) in Leadership and NCS Children Programme and BEd (Honours) (ECE) in Leadership and Special Needs Programme, will be offered by The Education University of Hong Kong (EdUHK) starting from the 2016/17 school year.

8. Scheme-KGs are required to adopt the practices of good employers in the employment of staff. As staff remuneration constitutes a major part of school expenses, they are required to draw up a policy on remuneration for their staff. The approving authority for determining the remuneration package of an appointee and any subsequent salary adjustment has to be clearly set out. On the basis of fairness and reasonableness, the management should put in place a proper and well-defined mechanism to determine remuneration packages for individual staff and the pay adjustment mechanism. Scheme-KGs should also increase the transparency in their management and keep their staff well-informed of the salary adjustment mechanism to maintain good staff relations and morale. For reference, KGs may take into account the following in considering the remuneration for individual staff members:

- (i) Qualifications, experience (in the serving KGs as well as other KGs), performance and expertise, salary arrangements for staff on probation, etc. (For example, for teachers at the basic rank holding recognised professional training in supporting NCS students or students with special needs or at risk of developmental delay, and are involved in related additional duties, they may be awarded higher salary); and
- (ii) Part-time teachers remunerated on a pro-rata basis (or a maximum of two-third of a full-time teacher) taking into account the duties and working hours.

9. Notwithstanding the flexibility under school-based arrangements, to ensure leadership and holistic co-ordination in school administration, we discourage KGs from leaving senior teacher post(s) vacant with other teachers sharing out the duties.

(b) Supporting staff

10. Scheme-KGs should employ sufficient supporting staff, including clerk and janitor staff, to maintain a desirable learning environment for children and provide necessary administrative support. For LWD and WD KGs with a kitchen that complies with the Government requirements, a cook should be employed. For reference, there should generally be one clerk for each Scheme-KG, and relatively large Scheme-KGs (for instance, those with a

Principal I) may need two clerks. As for janitor staff, Scheme-KGs may consider employing one janitor for every 50 to 60 HD students. As for LWD KGs, given their longer service hours, they should suitably employ more supporting staff having regard to their own circumstances using the additional subsidy provided by the Government and the school fees collected from students. In remunerating these supporting staff, Scheme-KGs may make reference to the recommended salary range for clerk, janitor and cook provided by EDB.

11. KGs may also employ other supporting staff, such as teaching assistants, supply teachers, etc., to assist in various tasks on a full-time or part-time basis or through hire of service in order to create capacity for teachers' professional development as well as for school development. Should individual Scheme-KGs consider it necessary to employ other supporting staff such as accounting clerk, native speakers of English and/or Putonghua to create a rich language environment, etc., they should devise their school-based policy and ensure that free HD services could be maintained.

(c) Salary Range

12. The salary ranges for teaching staff and supporting staff for the 2017/18 school year are set out at Annex 1 to Appendix 11, and subsequent adjustments will be made in accordance with the movements of Composite Consumer Price Index (CCPI) and will be announced in annual circular memorandum. We will conduct pay level survey as and when appropriate to ensure that the recommended salary ranges for teachers are comparable to those in the private sector. Under normal circumstances, the salary ranges for teaching staff at respective ranks should be closely followed. In light of the wide diversity in duties and working hours of teaching assistants, supply teachers and other supporting staff, KGs should remunerate them in consideration of the nature and complexity of their duties, working hours etc.. Notwithstanding, when formulating remuneration policy for teaching and supporting staff, KGs should also consider their long-term planning from the perspectives of overall resources deployment, sustainable development and the implications on the expenditure in the coming years.



(d) Reminder

13. KGs are also reminded to observe relevant Ordinances and code of practice such as Employment Ordinance and anti-discrimination ordinances which guard against direct and indirect discrimination on age, sex, race, etc. in handling all staff matters.

## Government Subsidy

### Mode of funding

1. EDB will provide direct subsidy for Scheme-KGs. Funding will 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). Additional grants on a school-specific basis will also be provided to cater for the special circumstances of individual Scheme-KGs or students. The arrangements for disbursement of different grants are set out at Appendix 8. The subsidy rates of various grants for the 2017/18 school year are set out at Annex 1 to Appendix 11, and are subject to annual adjustment in accordance with the movements of CCPI.

### Basic HD unit subsidy

2. The "basic HD unit subsidy", which is provided on a per student basis, covers teaching staff salary (including principal's salary), supporting staff salary and other operating costs.

### School-specific grants (on top of the "basic HD unit subsidy")

#### *(a) Additional subsidy for WD and LWD services*

3. A grant will be provided for Scheme-KGs offering WD/LWD places, and the subsidy rate is considered on a co-payment basis between the Government and parents. In this regard, the additional subsidy for each WD place is set at 30% of the HD unit subsidy having regard to the fact that the level of school fees of WD KG services has been about 60% higher than that of HD KG services under PEVS. For LWD KGs, having regard to the estimated manpower and other operating costs required for maintaining service for the longer operating hours and more operating days, the additional subsidy for each LWD place is set at 60% of the HD unit subsidy. Consequential to the annual adjustment of the basic HD unit subsidy, the additional subsidy for WD and LWD services will be adjusted accordingly.

*(b) Premises-related subsidy*

Rental subsidy

4. Scheme-KGs operated in rented premises will be provided rental subsidy as detailed at Paragraphs 5 to 8 below. For accountability and effective use of public resources, some KGs will not be provided subsidy to cover the full rental cost because (i) low fill-up rate as delineated at Paragraph 5 below; (ii) “dual” caps as delineated at Paragraph 6 below; and/or (iii) the rental cost exceeds the market rent as assessed by the Rating and Valuation Department (RVD). The rental expenditure under (i) and (ii) will be recognised for school fee assessment. For (iii), the difference between the actual rental expenditure or the market rent as assessed by RVD (whichever the lower) and rental subsidy will be recognised for school fee assessment. However, the difference between the actual rental expenditure and the market rent as assessed by RVD will not be recognised for school fee assessment and should not be charged to government subsidy. It should be borne by non-government funds.

5. For Scheme-KGs in housing estates operating in premises allocated under the EDB-administered school allocation or nomination mechanisms (“Nominated Estate KGs”) which are paying rental at concessionary rate as assessed by the Hong Kong Housing Authority (around 50% of market rent) and stipulated in the tenancy agreements, they will be eligible for full rental subsidy subject to the fill-up rate calculated on the basis of total enrolment in one session against the permitted accommodation<sup>8</sup>. Details of the provision will be as follows:

<b>Fill-up Rate</b>	<b>Rental Subsidy</b>
50% or above	Full
25% to <50%	50%
<25%	25%

Note: New Nominated Estate KGs will be eligible for full rental subsidy in the first three-year tenancy agreement regardless of their fill-up rate.

6. For other eligible Scheme-KGs (except former aided child care centres under the Social Welfare Department (SWD) before Harmonisation in 2005 currently in receipt of rental reimbursement), the rental subsidy will be subject

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<sup>8</sup> Worked examples on different scenarios for calculation of fill-up rate are provided at [Annex 2 to Appendix 11](#) for reference.

to a ceiling and the student enrolment to ensure proper use of public funds. To avoid circumstances where the rental component would become disproportionate to the subsidy package per KG, the rental subsidy for these KGs will be subject to “dual” caps at 50% of open market rental as assessed by RVD, or 15% of the “basic HD unit subsidy” for all eligible students under the Scheme, whichever is lower. For Scheme-KGs currently paying market rent and receiving rental subsidy under the Rent Reimbursement Scheme but will be entitled to less subsidy under the new rental subsidy scheme<sup>9</sup>, their current rented premises will continue to receive the current subsidy for a grace period of four years from the implementation of the new policy in the 2017/18 school year for them to migrate to the new rental subsidy scheme which will apply to them thereafter. During the grace period, the amount of rental subsidy shall be the full rental amount subject to the same set of fill-up rates for “Nominated Estate KGs” as set out in paragraph 5 above.

7. For any Scheme-KGs that are approved to operate child care services provided to children aged 0 to 3 years (except former aided child care centres under SWD currently in receipt of rental reimbursement as mentioned at Paragraph 6 above) and/or classes offering non-local curriculum, apportioning the rental expenditure between sections (KG and child care centre) and streams (local and non-local curriculum) by the respective numbers of enrolments would be taken into account for calculating of rental subsidy and school fees.

8. For former aided child care centres under SWD currently in receipt of full rental reimbursement and mainly situated in premises of public housing estates paying less than 50% of market rent, they will continue to be eligible for full rental subsidy.

#### Premises maintenance grant

9. For Scheme-KGs operating in self-owned school premises or premises owned by their school sponsoring bodies / operators paying no rent or nominal rent, a premises maintenance grant will be provided for them to alleviate the financial burden arising from repairs and maintenance of the school premises which fall under the responsibility of the owners of the premises. The amount of the grant is calculated on a per capita basis as at mid-September each year.

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<sup>9</sup> These KGs are now provided with full subsidy subject to the average rental cost per pupil not exceeding two times of the respective regional average.

Scheme-KGs should plan in advance such major repairs and charge the expenditure over a longer period of time.

10. For other internal renovation works that do not fall under the owners' responsibility, Scheme-KGs may charge the expenditure to the basic HD unit subsidy and additional subsidy for WD and LWD services which have incorporated such expenditure as part of the operating cost in calculating the subsidy rates.

#### Rates and Government rent

11. The existing arrangement for reimbursement of rates and Government rent to NPM KGs will continue.

#### *(c) Cook for WD KGs with a kitchen*

12. A grant comparable to mid-point of the recommended salary range of one cook will be provided for each LWD and WD KGs with a kitchen that complies with the Government requirements. The grant should be used for employing full-time/part-time cook(s) for preparing meals for children enrolled in LWD and WD classes of the KG. KGs should ensure that the grant is only used for salary and salary-related expenditure of cook(s). Other uses of the grant, for instance, for procuring meals from outside caterers, purchasing cooking utensils, repairs of the kitchen, etc. are not allowed.

#### *(d) Grant for KGs admitting eight or more NCS students*

13. To enable KGs to enhance the support for their NCS students, a grant comparable to the mid-point salary of one KG teacher will be provided for KGs admitting eight or more NCS students in two instalments (i.e. August/September and April of the next year). If a KG admits eight or more NCS students after the commencement month of a school year, subsidy will be calculated starting from the eligible month on a pro rata basis (full subsidy is equivalent to the grant for 12 months). KGs could deploy these additional resources for appointing additional teacher(s) or teaching assistant(s) or acquiring services to provide teachers with more manpower support and for teachers' professional training to develop effective strategies to help NCS students learn Chinese, raise teachers' cultural and religious sensitivity in

handling NCS students and enhance the communication with the parents of NCS students. For these KGs and other KGs admitting fewer NCS students, school-based professional support would continue to be provided and further enhanced to help KGs build up the expertise in facilitating NCS students' learning of the Chinese language for a smooth transition to primary education. Teacher training programmes on the teaching and learning of the Chinese language for NCS students in KGs would also be enhanced.

*(e) Tide-over grant*

14. Eligible KGs which have a large number of long-serving teachers who are receiving higher salaries may apply for a one-off time-limited tide-over grant (ToG) for two years starting from the 2017/18 school year. To be eligible, Scheme-KG should prove that the average monthly salary of its basic rank full-time teachers with C(ECE) or above qualification (within the TP ratio of 1:15) in the 2014/15 and 2015/16 school years is higher than \$20,000. The ToG aims to provide additional financial support for the KG concerned in defraying their expenses on staff salary in the early period of implementation of free quality KG education policy. During the period covered by the ToG, KGs should formulate their school-specific financial and staffing policy as well as management systems/practices for migration to the new policy. EDB will keep in view the progress of the deployment of the ToG in meeting the intended purpose. We will review the utilisation of funding in the 2018/19 school year and take follow-up action as appropriate to ensure smooth migration of KGs to the new policy as well as achievement of the objectives of free quality KG education policy.

*Expenditure Items Chargeable to Government Funds*

15. Scheme-KGs are required to utilise each grant according to its ambit. The basic unit subsidy (including HD subsidy, additional subsidy for WD and LWD services), which comprises the subsidy for other operating costs, will cover a wide range of operating expenses. The needs of different KGs may also vary. In this connection, a list of the expenditure items chargeable to government funds is at Annex to Appendix 3 for KGs' reference.

*Application for other school-specific grants*

16. KGs approved to join the Scheme will be provided the basic HD unit subsidy, and additional subsidy for WD and LWD services based on their enrolment. For other school-specific grants in the 2017/18 school year, Scheme-KGs will be invited to apply for them in early 2017.

**Expenditure Items Chargeable to Government Funds**

1. Salaries (including payment for supply teachers), provident fund, mandatory provident fund, long service payment/severance payment of teaching and supporting staff employed
2. Rent and management fees, rates and government rent for the KG premises
3. Furniture and equipment for school and education purposes
4. Teaching aids such as library books, reference materials, worksheets for teachers and students
5. Expenses on repairs, maintenance and improvement works of the KG premises including installation of air-conditioners, double-glaze windows and exhaust fans, maintenance contract, inspection fees for maintaining fire, gas, electrical installation and building safety
6. Water and electricity (including air-conditioning) charges, telephone line, fax line and internet service charges
7. Cleaning fees (including cleaning contract and the provision of cleaning facilities to students)
8. Expenses on printing, paper, teachers' stationery and other consumables for teaching activities
9. Postage charges and publications
10. Insurance premium and expenses on first aid and fire safety equipment
11. Audit fees and other service charges in connection with school administration
12. Transportation fees for school administration purposes
13. Expenses on regular learning activities for all students, conducted either inside or outside the school premises (these should include expenses for birthday parties, graduation ceremony, school outing, picnics and visits)
14. Items such as student handbooks, profiles, student portfolios, graduation certificates and identity cards, etc. which are necessary for the operation of the school
15. Other expenses directly related to teaching activities, school operation and maintenance of the standard of education service for educational purposes



### Non-government Funding

#### School fees

1. KGs are required to comply with the relevant Education Regulations and circulars issued by EDB regarding school fees and other collections. Prior approval must be sought from EDB for any fee adjustment or new charges.
2. For HD services, government subsidy should in principle be sufficient for Scheme-KGs to provide quality HD services, hence Scheme-KGs should not charge school fees for HD services. Scheme-KGs should effectively deploy resources (including government subsidy and non-government funds) to optimise the quality of services, such as better TP ratio, while they offer HD free KG education. For any applications for collection of school fees owing to exceptional circumstances, KGs concerned should also provide financial budget with strong justifications and supporting information to prove that the expenditures are essential (for examples, expenses on rent for KG premises not fully covered by rental subsidy, or the teaching staff salary expenditure cannot be fully covered even with the provision of the tide-over grant, etc.). For KGs relatively with low student intake, they are obliged to appoint and deploy their staff properly to ensure the quality of KG education they offer, including meeting the required TP ratio of 1:11 under the Scheme. Notwithstanding that, Scheme-KGs with special circumstances may approach EDB for special consideration on a case-by-case basis.
3. As for WD/LWD services, the additional costs for such services should be borne by both the Government and parents on a co-payment basis. Notwithstanding this, with the additional subsidy from the Government, the school fees should be at a low level. Applications for school fee revisions should be reasonable and strongly justified. In principle, only expenses directly related to teaching and learning, school operation and maintenance of WD/LWD services would be considered. For instance, in light of the longer operating hours, LWD services may need additional teachers beyond the TP ratio of 1:11 and thus more senior teachers as well as adjustment to the ranking of the principal, etc., and more janitor staff to help in nap arrangements for the children, the expenditure so incurred may be recognised for fee assessment.

4. To ensure that no child will be denied access to KG education due to a lack of financial means, fee remission (at three subsidy levels of 100%, 75% or 50%) will continue to be provided under the existing Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS) for needy families which can pass the means test of the Student Finance Office (SFO) of the Working Family and Student Financial Assistance Agency. Following the existing practice, SFO will send the pre-printed household application forms for student financial assistance schemes to families which have been disbursed with fee remission in the current school year. For other students (specifically, K1 students and students progressing to K2 and K3 students who are not disbursed with fee remission in the current school year), KGs will be invited to distribute the household application forms and other relevant documents. In addition to fee remission, we will provide an additional grant (at three subsidy levels of 100%, 75% or 50%) for KG students who can pass the means test and meet the same eligibility criteria under the KCFRS to defray school-related expenses incurred from the students' KG education<sup>10</sup>. The grant rate will be pegged at the level of flat-rate grant for school-related expenses (i.e. books, stationery, school uniforms, miscellaneous and minor one-off expenses) for KG students under the Comprehensive Social Security Assistance Scheme. Parents who have already applied for the KCFRS in the 2017/18 school year will not be required to submit a separate application for the additional grant. KGs are reminded to inform parents of the related arrangements for the KCFRS and the additional grant for KG students when details are announced by the SFO nearer the time.

#### Application fee and registration fee

5. KGs charging application fee and registration fee should observe the regulations as set out in EDB Circular No. 8/2016 "Collection of Application Fee and Registration Fee, Admission of Students and Provision of Information by Kindergartens" issued on 20 July 2016. Specifically, the ceiling for application fee is \$40, while the ceilings for registration fee are \$970 and \$1,570 for HD and WD services respectively. Scheme-KGs' collection of the above fees exceeding the afore-mentioned approved ceilings will not be approved. Any student who has paid the registration fee and subsequently

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<sup>10</sup> Before the implementation of the new policy in the 2017/18 school year, the Commission on Poverty approved the allocation of funds from the Community Care Fund for the provision of a one-off grant for school-related expenses to each eligible KG student in the 2016/17 school year.

takes up the place offered to him/her by the KG must be fully refunded the amount of the registration fee in the first month of the school year concerned.

### Trading operation

6. Government subsidy and school fees (if any) should have covered all expenses directly related to the learning and teaching of students and school operation, including expenses on regular learning activities for all students conducted either inside or outside the school premises. In line with the objectives of the provision of good quality and highly affordable KG education, Scheme-KGs should keep sales of school items and services to parents to the minimal. Some common examples provided by KGs to students are:

- (a) textbooks;
- (b) exercise books;
- (c) school uniforms;
- (d) school bags; and
- (e) tea and snacks.

7. When conducting trading operations in school, KGs should observe the guiding principles set out in EDB Circular No. 16/2013 “Collection of Fees, Sales of School Items and Provision of Paid Services in Kindergartens” and comply with the principle that all purchases of school items and services by parents must be entirely voluntary. Specifically, Scheme-KGs are required to include explicitly in their notices/circular letters the following statement: “Parents, please note that acquisition of any school items or services is entirely voluntary and parents can select individual items or services required according to their own needs.” and relevant check boxes should be provided for respective school items so that parents can ‘tick’ as appropriate. In this connection, Scheme-KGs, when preparing such school notice / circular letter, are requested to make reference to the sample at EDB’s website (website: [http://www.edb.gov.hk/free-quality-kg-edu\\_en](http://www.edb.gov.hk/free-quality-kg-edu_en)).

8. Scheme-KGs are also required to comply with EDB’s guidelines on procurement of goods and services and appointment of staff in procurement of goods and services for trading operation. In line with the current practice, all profit generated from trading operation must be ploughed back into KGs for use in school operation and provision of KG education services. Scheme-KGs are also reminded that no profit should be generated from the sale of textbooks and

profit from the sale of school items and provisions of paid services, if any, must not exceed 15% of the cost price at which they are purchased from the suppliers. In this regard, KGs must keep proper books of accounts, which must reflect all sales and purchases of school items and provision of paid services. Scheme-KGs should separately report surplus/loss of trading operations in non-government fund account and reflected in their annual audited accounts to be submitted to EDB.

9. To enhance transparency and help parents get a better understanding about the school items sold and paid services provided by the schools, Scheme-KGs are required to disclose the relevant information (including the fees charged and the list of items and services in the preceding school year) to parents on their school website. The “Profile of Kindergartens and Kindergarten-cum-Child Care Centres” (“KG Profile”) published by EDB will list out the common items and services (as listed at paragraph 6 above) and other relevant information for parents’ easy reference.

## Governance and Monitoring

### Governance structure and transparency

1. With the substantial increase in Government funding under the new KG education policy, it is essential that Scheme-KGs should enhance their administration, management and accountability under an effective governance framework with transparency, and well-defined roles and responsibilities of school personnel. In this connection, they are requested to draw reference to the Sample Code of Conduct for Managers and Staff of Kindergartens which is drawn up by the Independent Commission Against Corruption (ICAC) with a view to helping KGs strengthen governance and integrity management. To cater for different needs of kindergartens arising from different operating scales and resources capability, the Sample Code of Conduct is available in a full version and an abridged version. They are available on the ICAC Website:

Full version:

[http://www.icac.org.hk/filemanager/en/Content\\_1031/kindergartens-full.pdf](http://www.icac.org.hk/filemanager/en/Content_1031/kindergartens-full.pdf)

Abridged version:

[http://www.icac.org.hk/filemanager/en/Content\\_1031/kindergartens-abridged.pdf](http://www.icac.org.hk/filemanager/en/Content_1031/kindergartens-abridged.pdf)

2. The Corruption Prevention Department of the ICAC also provides tailor-made advisory service to help private sector organisations improve their systems, procedures and controls for the prevention of corruption and other relating malpractice. The service is free and confidential. KGs are welcome to call 2526 6363 or email to [cpas@cpd.icac.org.hk](mailto:cpas@cpd.icac.org.hk) for any service request or enquiry on the Sample Code of Conduct.

3. To enhance the transparency of their operation, Scheme-KGs will be required to provide key operational information in the “KG Profile” and EDB website and disclose to the public key information as follows:

- (a) name of approved supervisor
- (b) name of approved principal
- (c) total number of teaching staff including the principal
- (d) qualifications of the principal and teachers
- (e) salary range of the principal and teachers
- (f) student enrolment

- (g) school facilities
- (h) school fees, application fee and registration fee
- (i) reference prices for school items sold and paid services provided, if any.

4. The management committee of a KG has all along been responsible for managing the KG, which includes implementing education policies, planning and managing financial and human resources, ensuring that the education of students is promoted in a proper manner, and devising self-improvement measures. A participatory governance framework with direct participation of different KG stakeholders in school decision-making will help enhance transparency and accountability of school governance and contribute to more effective school operation.

5. In this connection, while there is no requirement for Scheme-KGs to set up an Incorporated Management Committee in the manner as currently practiced in aided primary and secondary schools, as a medium-term to long-term requirement, the Management Committee of each Scheme-KG should comprise representatives from different KG stakeholders such as school sponsoring body, the principal, and other stakeholders as appropriate. We will review the situation and set out specific requirement.

6. While each Scheme-KG is required to have a Management Committee under the Education Ordinance, school sponsoring bodies with more than one Scheme-KG may consider setting up a central body like a “central management committee” as well. The central management committee could, among others, set broad development directions and devise mechanisms to handle different matters such as student admission, staff recruitment, staff remuneration and staff professional development for their KGs. Details of such arrangements will be formulated in consultation with major stakeholders at a later stage.

#### Internal financial control

7. Scheme-KGs should maintain a healthy financial position and are required to deploy government subsidy and school funds in a prudent and timely manner to provide quality KG education. Scheme-KGs should put in place a proper internal control and reporting mechanism with rigorous checks and balances. They should also ensure that the use of government and

non-government funds is justified and in compliance with the Education Ordinance, Education Regulations, terms and conditions of participation in the Scheme (Appendix 1), other relevant legislations, other circulars and guidelines as specified by EDB from time to time. EDB's monitoring will also be stepped up to ensure Scheme-KGs' compliance with the rules and regulations.

#### Collection of school fees

8. On control of KG fees, to prevent Scheme-KGs from charging school fees unnecessarily, EDB will rigorously vet individual KGs' proposals for collecting school fees. Only those necessary expenditures with strong justifications and supporting information would be considered by EDB on a case-by-case basis. We will also set school fee ceilings<sup>11</sup> with reference to the amount of basic unit subsidy for participating schools. In using resources from school fees, Scheme-KGs should be prudent and should ensure that expenditure incurred is reasonable and necessary. In principle, school fees collected should be used to cover the expenditure items directly related to teaching and learning, school operation and maintenance of education services (please refer to Annex to Appendix 3 for details). The surplus, if any, should be retained in non-government funds accounts and should not be transferred to any other organisations, including SSBs / operators, in whatever form.

#### Parent engagement and parent education

9. Since parents play a very important role in their child's early life and are the children's role model, Scheme-KGs are required to step up parent education on children's developmental needs, their roles in supporting their children, sharing on good practices in family support in facilitating healthy growth of children, etc.. They should also promote parents' involvement in the learning of their children and encourage parents' participation in school events like Parents' Day, parents' seminars and workshops, etc.. Scheme-KGs are also encouraged to set up a Parent-Teacher Association to provide more opportunities of parent participation in school activities to enhance home-school communication in a more relaxing setting.

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<sup>11</sup> Based on the amount of HD basic unit subsidy for the 2017/18 school year, the tuition fee ceilings for HD and WD/LWD KG classes for Scheme-KGs would be \$9,960 and \$25,890 per student per annum respectively.

10. As regards communication between Scheme-KGs and NCS parents, language barrier is a major concern. In this regard, Scheme-KGs are encouraged to reach out to NCS parents by arranging interpretation services<sup>12</sup> as appropriate. For KGs provided with the grant to support NCS students, they are required to deploy the grant for, among others, enhancing communication with NCS parents, for example, by employment of ethnic minority teaching assistants, procurement of services from non-governmental organisations which have experience in serving the ethnic minority communities, etc. Scheme-KGs should formulate an appropriate work plan on the use of the grant according to their school context.

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<sup>12</sup> For reference, the CHEER Centre funded by the Home Affairs Department provides interpretation services on ethnic minority languages



### Quality Assurance

1. To ensure the quality of KG education, all Scheme-KGs will continue to be subject to Quality Assurance Framework comprising School Self-evaluation (SSE) and Quality Review (QR). All Scheme-KGs will be required to conduct ongoing SSE for school development and accountability purposes. They will also be assessed by EDB officers to assess if they have met the prescribed standards. QR serves to complement SSE to facilitate the sustainable development of KGs. EDB will continue to make the QR reports available on the websites for public information.
2. For application to join the Scheme, KGs without track records on their operating standard as normally reflected from results of QR, they should first meet the prescribed standards or other assessment as recognised by EDB. For KGs that have joined the Scheme, those fail to meet the prescribed standards in QR may apply for a Follow-up QR by submitting to EDB an action plan to address the issues identified for improvement. For those do not meet the prescribed standards in the Follow-up QR, EDB will contemplate termination of their status as a Scheme-KG and cease the provision of government subsidy.
3. On the other hand, the existing Quality Assurance Framework will be enhanced. External observer will be involved in the QR. The Performance Indicators, which form the basis of school self-evaluation and QR, will be refined to tie in with the new policy. A task group has been formed to review the Performance Indicators that will dovetail the review of the Guide to the Pre-primary Curriculum by the Curriculum Development Council.
4. While QR adopts a whole-school approach, Focus Inspection is conducted as another form of quality assurance measure in fostering KGs' continuous improvement in learning and teaching and in addressing areas of concerns. EDB will conduct more frequent Focus Inspection under the new KG education policy. Oral feedback will be given immediately at the end of inspection and a letter of recommendations for improvement will be issued to the KGs after the visit for their reference and follow up.

5. To further promote the sustainable development of KGs, EDB will continue to compile KGs' experiences as collected during QR and Focus Inspection and identify good practices for dissemination.

### **Professional Development of Kindergarten Teachers and Principals**

1. Teachers' professional competency and principals' leadership are the keys to students' learning. One of the key features of the free quality KG education policy is to upgrade teachers' professional competence through various means including developing a continuous professional development (CPD) policy, and formulating a Teacher Competencies Framework (TCF) and a Principal Competencies Framework (PCF) which will set forth the skills and knowledge specifically suggested for KG teachers and principals to ultimately promote the well-being of young children. Teachers and principals could then refer to the respective frameworks to strategically plan their own training based on their own professional needs. In tandem, the Certification Course for KG principals will be refined. In this connection, we are mindful of the unique features and diversity of the KG sector in terms of school size, mode of operation, working schedules/hours of teachers and principals, etc..

2. Through extensive literature reviews, sharing and visits, the Committee on Professional Development of Teachers and Principals (COTAP) has made reference to the international policies and good practices relating to the professional development of teachers and school leaders. After in-depth discussions and exchange with various stakeholder groups, COTAP has set priority to review, update and align Teacher Competencies Framework (TCF) and the core areas of leadership required of principals for reference by members of the teaching profession at various stages of their professional growth. EDB will draw reference from the progress made by COTAP in developing the competencies framework for KG teachers and principals in due course.

#### Developing a CPD policy

3. While initial professional training in ECE has helped KG teachers build a solid foundation in KG education, the benefits have to be sustained through CPD. Under the new KG education policy, existing local and non-local CPD programmes organised by both EDB and tertiary education institutions will be enhanced to further promote the KG teachers' professional competencies in response to the latest development of KG education in Hong Kong and worldwide. As a broad direction, the major areas for enhancement should

include:

- (a) enhancing teacher training on support to students with diverse needs, in particular those with special needs, at risk of developmental delay and non-Chinese speaking students;
- (b) equipping KG teachers with some basic knowledge of lower primary school education with a view to facilitating their children's smooth transition to primary education; and
- (c) fine-tuning the induction programmes for newly appointed KG teachers to better equip them with the skills needed for the job.

### Teacher Competencies Framework

4. As a broad direction, and subject to further deliberation, the KG TCF may include the following domains:

- (a) Learning and Teaching
  - Design of integrated curriculum, e.g. developmentally appropriate practices, play-based learning, etc.
  - Pedagogical content knowledge of various learning areas
  - Catering for learner diversity including the specific needs of students with special needs, at risk of developmental delay and non-Chinese speaking students
  - Continuous assessment and evaluation
- (b) Child Development
  - Catering for children's diverse needs in school
  - Whole person development of children
- (c) School Development
  - School's vision and mission, culture and ethos
  - Policies, administration, procedures and practices
  - Home-school collaboration
  - Responsiveness to societal values and changes
- (d) Professional Relationships and Services
  - Collaborative relationships within the school
  - Teachers' professional development
  - Involvement in policies related to education
  - Education-related community services and voluntary work

## Principal Competencies Framework

5. Good leadership in KGs is essential to quality KG education. In addition to understanding about curriculum planning as well as learning and teaching, principals have to lead their KGs effectively and professionally for their sustainable development and take charge of administrative matters on human resources, financial management and networking with outside organisations. Premised on the fact that teacher competencies should be the prerequisites of KG principals, PCF should be built on the TCF, with additional themes relating to leadership and management such as innovative thinking, school leadership, legal matters, child protection, communication with other organisations, etc..

## Certificate course for KG principals (CKGP)

6. Starting from the 2009/10 school year, all new KG principals are required to have completed CKGP before, or exceptionally within the first year of, their appointment. It serves to equip KG principals with the basic knowledge and skills in managing a school. Under the new KG education policy, the CKGP will be refined to further promote the efficacy of school leadership. As a broad direction, it will be necessary to consider issues such as structure of the course (for instance, whether the existing domains should be restructured and enriched), modes of learning (for instance, in addition to the current part-time face-to-face learning mode, other modes such as mixed learning mode comprising on-campus learning and e-learning, intensive programme in the summer holiday, etc. could be explored), etc..

## Accounting Arrangements

### Disbursement of grants

1. The subsidy will be disbursed to Scheme-KGs according to nature of each grant. Specifically,

- (a) The basic HD unit subsidy, additional subsidy for WD and LWD services and tide-over grant will be disbursed on a monthly basis based on the actual enrolment. Given the diversity in the KG sector, KGs do not necessarily start a new school year in September. Disbursement of the funding will tie in with the school year arrangements of individual Scheme-KGs;
- (b) For premises related subsidy, rental subsidy will be disbursed on a monthly basis. As the subsidy is subject to fill-up rate and “dual” caps involving student enrolment, rental subsidy from August or September (that ties in with the commencement of the school year of individual Scheme-KGs) to December would be released on the basis of the relevant (or projected) data as of September, with adjustments, if necessary, in January and subsequent months upon verification with actual enrolment. The premises maintenance grant will be disbursed in two instalments, in August or September and April of the next year. For rates and Government rent, the existing practice of reimbursement on a quarterly basis will continue; and
- (c) The grant for a cook and grant for support to NCS students will be disbursed in two instalments, in August or September and April of the next year. If a KG admits eight or more NCS students after the commencement month of a school year, subsidy will be calculated starting from the eligible month on a pro rata basis (full subsidy is equivalent to the grant for 12 months).

### Ambit and accounts

2. Scheme-KGs are required to spend each grant according to its ambit, to keep separate bank accounts and ledger accounts for income from government

subsidy and non-government funds. Expenditure on teaching staff salary (including employer's contribution to the Mandatory Provident Fund, provision for Long Service Payment or Severance Pay, if any) out of the basic unit subsidy (including basic HD unit subsidy and additional subsidy for WD and LWD services) should be separately reflected in the annual audited accounts. KGs should be prudent in the use of government subsidy and ensure that expenditure incurred is reasonable and necessary. KGs are required to observe the requirements as stipulated in the relevant circulars and letters calling for submission of audited annual accounts for EDB's scrutiny.

### Procurement

3. Scheme-KGs are required to put in place proper procedures for procurement, employment and competitive bidding that are in line with the guidelines issued by EDB and having regard to their individual circumstances as necessary. They should also ensure that the procedures are conducted in a fair, open and well-documented manner. In this connection, Scheme-KGs should comply with EDB's guidelines on procurement of goods and services and appointment of staff. Details of such requirements will be announced before the implementation of the Scheme in the 2017/18 school year.

### Prevention of cross-subsidisation

4. The Scheme-KG should ensure that government subsidies shall not be used to subsidise any activities outside the ambit of NPM KG education adopting the local curriculum, including but not limited to child care services provided to children aged 0 to 3 years and classes offering non-local curriculum. For any Scheme-KGs that are approved to operate these classes/services on individual merits, they should ensure that there is no cross-subsidisation of these classes/services by the local KG classes in money or in kind. Hence, Scheme-KGs shall report separately the income, expenditure and operating surplus/deficit for different sections (KG and CCC classes), streams (local and non-local curriculum) and sessions (HD, WD and LWD), if any, in their audited accounts/financial budgets. Apportionment of the expenditures between sections and streams by respective student enrolment is in line with current practice under the existing annual fee revision exercise. For HD and WD/LWD sessions, in principle, the ratio of HD to WD/LWD expenditure per pupil should be between 1 to 1.6 and 1 to 2 for the first three

years of implementation of the new policy. We would review the situation of HD and WD services provision in the 2019/20 school year and decide whether to continue the related arrangements.

#### Reserve ceiling

5. Scheme-KGs are encouraged to fully utilise the grants to offer free quality KG education. Hence, Scheme-KGs should avoid deficit but substantial surplus in this regard is not expected. Any such deficits should be borne by the KGs' non-government funds. KGs may need to retain some surplus to meet contingencies, adjustments in the strategies in manpower deployment and support to students. Under no circumstances will Scheme-KGs be allowed to use government subsidies and non-government funds for speculative investment, and they should comply with EDB Circular No. 14/2015 "The Choice of Bank Counterparties in Investment" when handling surplus. On condition that the KGs are able to offer free quality HD services and maintain fees for WD/LWD services at a reasonable fee level, Scheme-KGs are allowed to accumulate a surplus up to one-year provision of the respective grants (except rental subsidy, reimbursement of rates and Government rent and the premises maintenance grant). Specifically,

- (a) the grants relating to teaching staff salary and related expenses (such as mandatory provident fund, long service payment, etc.) cover the total of the relevant portion (set at 60%) of the basic unit subsidy (including basic HD unit subsidy and additional subsidy for WD and LWD services) and the tide-over grant. The reserve ceiling is the current year provision of the above subsidy;
- (b) the surplus of the remaining portion (i.e. the portion other than teaching staff salary and related expenses) of the basic unit subsidy (including basic HD unit subsidy and additional subsidy for WD and LWD services) will be capped at the current year provision of the relevant portion.

6. For the premises maintenance grant, the disbursement will be suspended once the accumulated surplus reaches 500% of the current year provision until the surplus falls under 100% of the current year provision. EDB will review the afore-mentioned arrangement as appropriate.



7. The arrangement for accumulation of unspent government subsidies is not applicable to rental subsidy and reimbursement of rates and Government rent.

#### Claw-back arrangement

8. For unspent government subsidies, upon accumulation to the above prescribed level, EDB reserves the right to make any adjustment in the subsidies payable to the KG. For claw-back of any unspent government subsidies based on the audited annual accounts, EDB will reduce the amount(s) payable to the Scheme-KG or demand for repayment.

9. If a Scheme-KG is revoked of its eligibility, voluntarily withdraws from the Scheme or closes, it shall return to EDB the unspent balance of government subsidies granted to it as determined and within the period as specified by EDB in writing. Items purchased with government subsidy should be arranged as required by EDB.

#### Surplus/Deficit before joining the Scheme

10. Scheme-KGs will be required to keep separate bank accounts and ledger accounts in respect of transactions relating to the government funds and transactions relating to non-government funds and respectively reflected in their annual audited accounts to be submitted to EDB. KGs should carry forward their surplus or deficit, if any, to their non-government funds accounts upon joining the Scheme. Any such deficits should be borne by the KGs' non-government funds and must not be charged to any of their government funds accounts.

### Student Admission

1. To maintain the flexibility and diversity of the KG sector and free choice for parents, KG student admission will remain a school-based matter. In this connection, all KGs are required to ensure that the admission mechanism is fair, just and open, providing equal opportunities for admission for all children (regardless of their race, gender and ability), and in compliance with the existing Hong Kong legislation including legislation on equal opportunities (namely the Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance and Race Discrimination Ordinance). KGs should also comply with Personal Data (Privacy) Ordinance and/or Prevention of Bribery Ordinance, etc. when handling matters related to student admission.

2. All Scheme-KGs must comply with the guidelines and/or standing administrative directives on admission arrangements including EDB's annual circular on admission arrangements (in particular for K1 classes). The complementary guidelines and Questions-and-Answers are also uploaded in tandem to the EDB's website [http://www.edb.gov.hk/k1-admission\\_e](http://www.edb.gov.hk/k1-admission_e). In gist, to avoid a child holding more than one place at any time, which may affect other students, EDB will issue each eligible student a Registration Certificate for KG Admission (hereafter referred to as "RC") as the registration document for K1 class for the next school year. Upon receipt of the applications from parents with all necessary information and documents provided, EDB will issue the "RC" to eligible applicants by post in about six to eight weeks. The details (including application forms and guidance notes) will be uploaded onto EDB's website in or before September each year, and parents should apply for the "RC" from September to November. Starting from November, KGs may invite parents and children for interviews. KGs should note that the pattern of children's development should be respected and they should not be required to answer questions or do tasks that are intellectually, physically and emotionally beyond their age. Admission results will be released by KGs in late December, followed by registration in mid-January next year. KGs should inform parents of the registration procedures and regulations, for instance, no registration fee will be refunded in case parents give up the place after registration. EDB will collect information from KGs on vacancy situation

about a week after the “centralised registration dates” through an electronic platform. The K1 vacancy situation by district will then be uploaded to EDB’s website so that parents may approach individual KGs to apply for admission if their children have not yet secured a school place.

3. While student admission is principally a school-based matter, the Scheme-KGs should observe the instructions in the circular and comply with the guidelines concerning admission arrangements and those concerning student admission for the next school year in related circulars issued by EDB, including the arrangement that KGs should continue to admit students with different backgrounds and needs if there are vacancies. Besides, Scheme-KGs should not limit the number of application forms to be distributed/collected and they are required to inform parents in advance the arrangement for obtaining application forms and submission of applications, as well as the details of school-based admission mechanism through effective channels. They should also provide both Chinese and English versions of application form, information on the application arrangements and admission criteria, etc. In addition, they also have to put in place an effective means of communication and offer assistance to students/parents as far as possible.

4. As regards applications for WD/LWD services, due priority should be given to children from families in need of such services in light that the additional subsidy for WD/LWD aims at unleashing the potential of the local labour force. Specifically, they may include families with working parents and those having a genuine need for WD/LWD services due to their special circumstances such as those which need to take care of one or more persons with a disability at home. Relevant conditions should be included in the admission criteria announced by the KGs.

5. Under special circumstances, if Scheme-KGs still have vacancies and individual students (such as students at risk of developmental delay) encounter difficulties in applying for admission, Regional Education Offices and Joint Office for Kindergartens and Child Care Centres of EDB will make referrals as appropriate.

6. For students who have been issued a voucher under the existing PEVS and will continue to study K2 or K3 in a PEVS KG which will join the Scheme in the 2017/18 school year, they will be automatically covered under the

funding mode of the Scheme during the validity period of their vouchers. These students should follow the school-based registration procedures in the Scheme-KGs and it is not necessary for them to apply for the “RC”.

7. KGs should refer to details of the admission arrangements via the website of EDB ([http://www.edb.gov.hk/k1-admission\\_e](http://www.edb.gov.hk/k1-admission_e)).

### Catering for Students with Diverse Needs

1. For offering professional support to students with diverse needs, in particular NCS students and students with special needs or those at risks of developmental delay, teachers should be encouraged to attend relevant professional training. It is desirable for each Scheme-KG to have one senior teacher having received professional training in supporting NCS students, students with special needs or at risk of developmental delay<sup>13</sup> (paragraph 8(i) in Appendix 2 is also applicable).

2. With the provision of enhanced support under the free quality KG education policy, Scheme-KGs are required to optimise the additional resources in catering for the diverse needs of their students.

(a) NCS students in KGs

3. A grant comparable to the salary of one KG teacher will be provided for KGs admitting eight or more NCS students in two instalments (i.e. August/September and April of the next year). If a KG admits eight or more NCS students after the commencement month of a school year, subsidy will be calculated starting from the eligible month on a pro rata basis (full subsidy is equivalent to the grant for 12 months). With the additional resources, KGs should provide teachers with more manpower support and professional training to develop effective strategies to help NCS students learn Chinese so as to lay a foundation for their study in local primary schools and to raise teachers' cultural and religious sensitivity in handling NCS students. These KGs should also deploy the additional resources to enhance communication with parents of NCS students and strengthen home-school cooperation. School-based professional support will continue to be provided and further enhanced for these KGs and other KGs admitting fewer NCS students. EDB will also enhance teacher training programmes on the teaching and learning of the Chinese language for NCS students in KGs.

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<sup>13</sup> For example, apart from the relevant courses offered by other institutions, two new University Grants Committee-funded courses, namely the BEd (Honours) (ECE) in Leadership and NCS Children Programme and BEd (Honours) (ECE) in Leadership and Special Needs Programme, will be offered by The Education University of Hong Kong (EdUHK) starting from the 2016/17 school year.

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

4. The Government has been providing different services for children with developmental delay through the collaborative efforts of various Government departments. While the Food and Health Bureau (FHB) and Labour and Welfare Bureau (LWB) are responsible for assessment and rehabilitation services respectively for the students in need of such services, KGs are requested to optimise the enhancement of the TP ratio to 1:11 to enable their 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 a pilot project<sup>14</sup> to support the students with special needs.

5. KGs are also required to set up a school-based mechanism to support the students with special needs as well as those at risk of developmental delay. Such school-based mechanism and practices will be subject to the monitoring of EDB. EDB will also set up a dedicated team of educational psychologists and professional staff to develop appropriate intervention models and teaching resource packages for use of KG teachers and parents to cater for the students at risk of developmental delay and deliver relevant professional training for KG teachers.

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<sup>14</sup> LWB has launched a two-year pilot scheme through the Lotteries Fund to provide on-site rehabilitation services for children with special needs at KGs in addition to the range of existing rehabilitation and related support services. Under the pilot scheme, the multi-disciplinary service teams of the non-governmental organisations (NGOs), which are composed of social workers, speech therapists, occupational therapists, physiotherapists, clinical psychologists/educational psychologists and special child care workers, will offer on-site rehabilitation services and training to children with special needs, supplemented by training at centres with rehabilitation facilities.

## Application for Joining the Free Quality Kindergarten Education Scheme (“Scheme”)

**To: Permanent Secretary for Education**  
**(Attn: Kindergarten Administration Section,**  
**Special Education and Kindergarten Education Division, Education Bureau,**  
**Room 3608, 36/F, Sunlight Tower, 248 Queen’s Road East, Wan Chai, Hong Kong)**

### Part I Particulars of School

Name of \*Kindergarten/Kindergarten-cum-Child Care Centre/School with Kindergarten Classes (hereunder referred as “KG”): (\*Please delete whichever is inappropriate.)

(in English): \_\_\_\_\_

(in Chinese): \_\_\_\_\_

School Address: \_\_\_\_\_ [Main School]

\_\_\_\_\_ [Extension, if any]

\_\_\_\_\_ [Extension, if any]

School Registration No. : \_\_\_\_\_ Tel. No.: \_\_\_\_\_ Fax. No.: \_\_\_\_\_

Contact Person: \_\_\_\_\_ (Name) \_\_\_\_\_ (Post)

Non-Profit-Making (NPM) Operating Status (Please ‘✓’ ONE of the following boxes.)

I confirm that my KG is a NPM KG:

- being exempt from taxes under section 88 of the Inland Revenue Ordinance (Cap. 112) (IRO).
- being an approved subsidiary to \_\_\_\_\_ (Name of the Organisation) which is exempt from taxes under section 88 of the IRO.

[A certified true copy of the certificate or confirmation letter from the Inland Revenue Department recognising the KG being an approved organisation/an approved subsidiary to an organisation exempt from taxes under section 88 of the IRO should be attached to this application form. KG-cum-CCCs should also submit the confirmation letter recognising the CCC portion being an approved subsidiary to the approved tax-exempt organisation of the KG or to which the KG belongs to.]

### Part II Curriculum

I confirm that my KG is: (Please ‘✓’ ONE of the following boxes.)

- operating classes of full local curriculum only
- operating classes of full local and non-local curriculum (only students enrolled in classes of the local curriculum will be eligible for government subsidies under the Scheme.)  
 at all K1, K2 and K3 levels.

**Part III Disclosure of Information for the Profile of Kindergartens and Kindergarten-cum-Child Care Centres (KG Profile) (Please '✓' the box to confirm.)**

I confirm that my KG will submit as and when specified all the required information through the designated online platform for EDB's compilation of the KG Profile.

**Part IV School Fee**

**Section (i) – Declaration** (Please '✓' the box to confirm.)

Without prejudice to the more detailed requirements set out in the Terms of the Scheme, I confirm that my KG

- will NOT charge a school fee for a half-day (HD) place where subsidies are already sufficient for covering all operating expenses as recognised by EDB (this item is only applicable to KGs operating HD courses).
- will NOT charge a school fee (after deduction of government subsidy) higher than the prescribed fee thresholds as specified by the Government for a half-day (HD) place and a whole-day (WD) place in any session/level/class offering local curriculum for the 2017/18 school year. My KG will also accept adjustment made by EDB to the approved school fees.

**Section (ii) - Estimated school fee**

While KGs generally start recruiting students before November 2016, parents need to know if individual KGs will offer free KG education in the 2017/18 school year to make informed school choices. Besides, Scheme-KGs need time to finalise the budget for the 2017/18 school year for submission to EDB in March 2017 for scrutiny and seeking approval for collection of school fee in case there are any special circumstances. KGs are therefore requested to make an initial estimate of the school fee for the 2017/18 school year when filling in this application. The amount of estimated school fee will be uploaded onto EDB website for parents' reference. [Calculation sheet can be downloaded from the website ([http://www.edb.gov.hk/free-quality-kg-edu\\_en](http://www.edb.gov.hk/free-quality-kg-edu_en)) for school fee estimation]

**HD Session** (Please '✓' ONE of the following boxes.)

- I confirm that my KG will NOT offer HD course in the 2017/18 school year.
- I confirm that my KG will offer HD course in the 2017/18 school year and the school fee (after deduction of government subsidy) of a HD place is estimated to be \$0.
- I confirm that my KG will offer HD course in the 2017/18 school year and the school fee for a HD place per instalment (after deduction of government subsidy) is estimated as:

\$1 - \$300	\$301 - \$600	\$601 - \$1,000
<input type="checkbox"/> *	<input type="checkbox"/> *	<input type="checkbox"/> *
* please also submit the completed calculation sheet together with this application for assessing the reasonableness of the above school fee estimation.		

**WD / LWD Session** (Please '✓' ONE of the following boxes.)

- I confirm that my KG will NOT offer WD / LWD course in the 2017/18 school year.
- I confirm that my KG will offer WD / LWD course in the 2017/18 school year and the estimated school fee for a WD / LWD place per instalment (after deduction of government subsidy) is estimated as:

\$0 - \$500	\$501 - \$1,000	\$1,001 - \$1,500	\$1,501 - \$2,000	Above \$2,000
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**Part V Application fee and registration fee** *(Please '✓' the box to confirm.)*

I confirm that my KG will NOT charge an application fee and registration fee exceeding the approved ceilings as specified by EDB.

**Part VI Admission of children referred by the Education Bureau** *(Please '✓' the box to confirm.)*

I confirm that my KG will admit children (for example, children at risk of developmental delay, etc. ) referred by EDB to fill vacancies. [For details, please refer to Appendix 9 to EDB Circular No. 7/2016.]

**Part VII Undertaking and Declaration**

1. In consideration of the Government of the Hong Kong Special Administrative Region (“**Government**”) considering this application for joining the Free Quality Kindergarten Education Scheme (“**Scheme**”):
2. I hereby declare, undertake and warrant that all information and supporting documents supplied (including those as mentioned in paragraph 5 below), and statements and representations (“**Information**”) made by me or by my KG from time to time in relation to this application submitted to the Government are true, accurate and complete. I understand that the Education Bureau (“**EDB**”) will assess the eligibility of the Kindergarten based on the Information provided by me and by my KG.
3. I hereby undertake and guarantee in favour of the Government with continuing effect that:
  - (a) my KG fulfils and will continue to fulfil the eligibility criteria for the Scheme as specified in paragraph 9 of Education Bureau Circular No. 7/2016 dated 20 July 2016 on “Free Quality Kindergarten Education” (“**EDBC No. 7/2016**”) throughout the Scheme Validity Period;
  - (b) my KG will comply with all terms and conditions set out in EDBC No. 7/2016 and all its Appendices 1 to 11 (as may from time to time be amended or supplemented by the Government) and such other requirements and directives as may from time to time be issued by the Government concerning the Scheme, as well as this Undertaking and Declaration (collectively, “**Terms of the Scheme**”); and
  - (c) I have read and fully understood all Terms of the Scheme.
4. If this application is successful, I shall maintain all Information relating to this application and copy of this Undertaking, fully cooperate with the officers of EDB and other persons duly authorised by the Government and promptly provide all such information and documents which any one of them may from time to time request for inspection, verification, copying or otherwise for the purpose of administration and monitoring the operation of the Scheme from time to time upon reasonable notice (a) during the period when my KG is an eligible KG under the Scheme and (b) for a period of seven (7) years thereafter or upon the closure of my KG (whichever is applicable).
5. If any representation or declaration given by me or by my KG in this Undertaking and Declaration or otherwise in connection with the application is incorrect or misleading or if I fail to comply with any undertaking or guarantee of this Undertaking and Declaration, without prejudice to any powers, rights, remedies and claims that the Government may have under this Undertaking and Declaration or in law, the Government shall be entitled to immediately invalidate this application or, as the case may be, immediately revoke the KG’s status as an eligible kindergarten under the Scheme.
6. This Undertaking and Declaration which was executed as a deed shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region and I shall irrevocably submit to the exclusive jurisdiction of the Courts of Hong Kong Special Administrative Region.

<p><b>SIGNED SEALED AND DELIVERED BY THE SUPERVISOR:</b></p> <p style="text-align: center;">_____</p> <p style="text-align: center;">(Please use signature or chop above)</p> <p>Name of Supervisor in English: _____</p> <p>Name of Supervisor in Chinese: _____</p> <p>Hong Kong Identity Card No: _____</p> <p style="text-align: right;">Date: _____</p>	<div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> <p>School Chop</p> </div>
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### **Part VIII Provision/Handling of Personal Data**

1. The personal data provided in this application and in the Information provided from time to time will be used by the Permanent Secretary for Education Bureau (“EDB”) for administering and processing of application for joining the Free Quality Kindergarten Education Scheme (“Scheme”) and if the application is successful for administering and operation of the Scheme, and enforcement by EDB of the Scheme. It is obligatory for an applicant to supply the personal data to EDB as required in the application. Failure to comply with this requirement will render the application disqualified for further processing or affects the KG’s eligibility under the Scheme.
2. The personal data provided in the application and in other Information provided at the request of EDB will be used by EDB and disclosed within EDB and to the other government bureaux or departments or public bodies (as defined in Interpretation and General Clauses Ordinance (Cap. 1), contractors, advisers and consultants for the purposes mentioned in paragraph 1 and above and also for the following purposes:
  - (i) activities relating to the processing and verification of information contained in this application; and
  - (ii) statistics and research purposes.
3. All documents submitted are not returnable. Data subject have the right to obtain access and make corrections to the personal data in the application in accordance with Sections 18 & 22 and Principle 6 of Schedule 1 of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of the Hong Kong Special Administrative Region). Enquiries concerning the personal data collected in this application, including the making of access and correction, should be addressed to:

Kindergarten Administration Section  
Special Education and Kindergarten Education Division  
Education Bureau  
Room 3608  
36/F, Sunlight Tower, 248 Queen’s Road East  
Wan Chai, Hong Kong

### **Closing Date of Application**

Application should be submitted on or before **15 September 2016**. Incomplete application form and/or insufficient information would not be processed.

### **Enquiries**

For enquiries about application to join the Scheme, please contact the Kindergarten Administration Section at 2186 8994.

**Supplementary Notes**  
**for Application to Join the Free Quality Kindergarten Education Scheme**  
**in the 2017/18 School Year**

**1. Subsidy rates for the 2017/18 school year**

	Subsidy	Unit	Unit Subsidy in 2017/18 School Year
(a)	Basic HD unit subsidy	per student per annum	\$33,190
(b)	WD unit subsidy	per student per annum	\$43,150
(c)	LWD unit subsidy	per student per annum	\$53,100
(d)	Grant for support to NCS students	per KG per annum	\$363,510
(e)	Grant for a cook	per KG per annum	\$189,060
(f)	Premises maintenance grant	per student per annum	\$980
(g)	Tide-over grant	per student per annum	\$2,200

**2. Fee ceiling in the 2017/18 school year (after deduction of government subsidy)**

- HD: \$9,960 per student per annum
- WD/LWD: \$25,890 per student per annum

**3. Salary ranges for the 2017/18 school year**

Teaching Staff <sup>15</sup>	Recommended Salary Range (for teaching staff with C(ECE) or above qualifications)
Class Teacher	\$20,770 - \$36,930
Senior Teacher	\$27,700 - \$43,860
Vice Principal	\$34,620 - \$48,470
Principal II	\$39,240 - \$54,240
Principal I	\$46,160 - \$61,170
Supporting Staff	Recommended Salary Range
Clerk	\$11,540 - \$20,770
Janitor	\$11,540 - \$15,000
Cook	\$13,850 - \$16,160

<sup>15</sup> The salary range for teachers is applicable to those possessing the qualifications of C(ECE) or above. KGs should also take into account their scale of operation and reasonableness in determining the rank of the Principal.

#### 4. Examples of staff deployment (for reference)

Example	Student enrolment			Salary Range of Principal	Total no. of teachers required (excluding Principal)	No. of Vice Principal	No. of Senior Teachers	No. of Class Teachers
	AM	PM	WD					
<u>Case 1</u> A KG with HD students only(similar number for AM and PM session)	180	180	-	Principal I	$360 \div 11 \div 2 = 16$	1	2	13
<u>Case 2</u> A KG with HD students only (more students in AM session)	150	120	-	Principal II	$270 \div 11 \div 2 = 12$	0	2	10
<u>Case 3</u> A KG with WD students only	-	-	116	Principal II	$116 \div 11 = 10$	0	2	8
<u>Case 4</u> A KG with HD and WD students	120	95	60	Principal I	$(120+95) \div 11 \div 2 + 60 \div 11 = 15$	1	2	12
<u>Case 5</u> A KG with HD students only (small scale)	38	28	-	Vice Principal	$66 \div 11 \div 2 = 3$	0	0	3

#### Notes:

1. KGs may also calculate the minimum number of teachers required to meet the TP ratio using the on-line template ([http://www.edb.gov.hk/free-quality-kg-edu\\_en](http://www.edb.gov.hk/free-quality-kg-edu_en)) uploaded to EDB website.
2. As KG-cum-CCCs operating LWD classes are given additional subsidies and are allowed to charge school fees, they can appoint additional number of teachers, thus with additional senior teachers and adjustment to the ranking of the principal, to meet the operating need for offering longer hours' service. In light of the longer operating hours, the number of teachers would be about 40% more than that of WD KGs.
3. The number of teachers listed in the table refers to full-time teachers. Taking Case 2 as an example, the 12 teachers are full-time teachers and they are equivalent to 24 teachers working half-day. KGs may employ different number of teachers for AM/PM session according to the school-based circumstances, e.g. the number of teachers for AM/PM session may respectively be 14/10, 13/11, 12/12, 11/13 etc., and both the AM and PM sessions can meet the 1:15 (including principal) TP ratio requirement and sufficient teachers possessing C(ECE) or above qualifications are employed.
4. For further details, KGs may draw reference to the "Frequently Asked Questions" ([http://www.edb.gov.hk/free-quality-kg-edu\\_en](http://www.edb.gov.hk/free-quality-kg-edu_en)) uploaded to EDB website.

### Worked Examples on Calculation of Fill-up Rate under the New Rental Subsidy Scheme

#### (1) Fill-up Rate

The fill-up rate determines the amount of rent subsidies an eligible KG can obtain with details as follows:

Fill-up Rate	Rental Subsidy
50% or above	Full
25% to <50%	50%
<25%	25%

#### (2) Calculation basis

The number of enrolment in the morning or afternoon session may be different. The session with the higher enrolment will be taken for calculation of fill-up rate as follows:

$$\left[ \frac{\text{Total number of eligible students in the KG in the morning session or in the afternoon session}}{\text{total permitted accommodation as stated on the Accommodation Certificate}} \right] \times 100\%$$

#### (3) Worked Examples

##### Example 1 – KG (1)

Classroom	Total No. of Enrolment					Permitted Accommodation (P.A.)		P.A. counted
	AM	PM	WD	Morning session (AM+WD)	Afternoon session (PM+WD)	HD	WD	
1	18	22	0	18	22	30	15	30
2	19	24	0	19	24	30	15	30
3	20	25	0	20	25	30	15	30
4	0	0	13	13	13	30	15	15
5	0	0	14	14	14	30	15	15
6	0	0	15	15	15	30	15	15
<b>Total</b>				<b>(A) = 99</b>	<b>(B) = 113</b>			<b>(C) =135</b>

$$\text{Fill-up rate \% of KG (1): } \frac{(\text{A}) \text{ or } (\text{B})^{(\text{Note1})}}{(\text{C})} \times 100\% = \frac{113}{135} \times 100\% = 84\%$$

Note:

- The morning or afternoon session with the higher enrolment will be taken for calculation of fill-up rate.

**Example 2 – KG (2)**

Classroom	Total No. of Enrolment					Permitted Accommodation (P.A.)		P.A. counted
	AM	PM	WD	Morning session (AM+WD)	Afternoon session (PM+WD)	HD	WD	
1	0	0	0	0	0	30	15	15 (Note 1)
2	0	0	0	0	0	30	15	15 (Note 1)
3	24	18	0	24	18	30	15	30
4	23	15	0	23	15	30	15	30
5	9	0	2	11	2	30	15	30 (Note 2)
6	8	0	2	10	2	30	15	30 (Note 2)
Total				<b>(A) = 68</b>	<b>(B) = 37</b>			<b>(C) =150</b>

$$\text{Fill-up rate \% of KG (2): } \frac{\text{(A) or (B)}^{(\text{Note 3})}}{\text{(C)}} \times 100\% = \frac{68}{150} \times 100\% = 45\%$$

Note:

1. For a vacant classroom, the lower P.A. will be counted. For a vacant classroom with more than 30 P.A., 30 will be counted.
2. For a classroom taking up both WD and HD KG students (i.e. combined class), the larger P.A. (i.e. HD P.A.) of that classroom will be counted.
3. The morning or afternoon session with the higher enrolment will be taken for calculation of fill-up rate.

**Example 3 – KG (3)**

Classroom	Total No. of Enrolment					Permitted Accommodation (P.A.)		P.A. counted
	AM	PM	WD	Morning session (AM+WD)	Afternoon session (PM+WD)	HD	WD	
1	0	0	-	0	0	30	-	30
2	0	0	-	0	0	30	-	30
3	0	0	-	0	0	30	-	30
4	15	10	-	15	10	35	-	30 (Note 1)
5	13	8	-	13	8	35	-	30 (Note 1)
6	12	6	-	12	6	35	-	30 (Note 1)
Total				<b>(A) = 40</b>	<b>(B) = 24</b>			<b>(C) =180</b>

$$\text{Fill-up rate \% of KG (3): } \frac{\text{(A) or (B)}^{(\text{Note 2})}}{\text{(C)}} \times 100\% = \frac{40}{180} \times 100\% = 22\%$$

Note:

1. For a classroom with P.A. larger than 30 however with  $\leq 30$  KG students (including combined class), accommodated there at any one session, as a special concession for the purpose of calculating the fill-up rate, the P.A. of that classroom can be counted as 30. Otherwise, the actual P.A. of that classroom as shown on the Accommodation Certificate should be used.
2. The morning or afternoon session with the higher enrolment will be taken for calculation of fill-up rate.