

**Sixth meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 2 : Administration's responses to the
recommendations of a study on
"international schools' expansion efforts
in Hong Kong"***

Purpose

This paper reports on the Administration's responses to the recommendations of a study on "international schools' expansion efforts in Hong Kong" commissioned by the American Chamber of Commerce in Hong Kong (AmCham).

Background

2. At the last meeting of the Business Facilitation Advisory Committee (BFAC) held on 25 July 2007, the AmCham presented the findings and recommendations of the study. The study covers 20 of the 51 international schools¹ listed in the Education Bureau's website. 12 of the 20 schools² responded positively and were subsequently reported on. The main findings and recommendations of the report are –

- (a) There is a genuine shortage of international school places in Hong Kong, in particular in primary schools;
- (b) International schools are part of the "soft infrastructure" that defines Hong Kong as a world city. The long waitlists and frequent complaints from multinational companies and foreign

¹ International schools generally refer to those schools offering full non-local curricula designed primarily for non-Chinese speaking students and foreign nationals most of whom would eventually return to their home countries for education.

² Two of the schools were subsequently consolidated into a single report from the English School Foundation, which has centralized handling the expansion procedures for all 15 of their schools. Their replies in the original study can, by extension, serve as an answer for all 15 schools in their system and that means the original study covered the conditions of 26 (11+15) international schools of the 51 identified in Hong Kong.

chambers of commerce negatively impact Hong Kong's competitiveness by discouraging companies from transferring their expatriate staff to Hong Kong; and

- (c) The Government should place a high priority on international schools' requests for expansion, and to streamline the complicated approval process through the setting up of a one-stop-shop mechanism. The whole process of application for additional space for school expansion should be made clearer and more transparent.

BFAC's initial views

3. Having considered the AmCham's presentation and the Administration's initial response at the last meeting, the BFAC considers that –

- (a) Education is a highly sensitive and hugely important subject and that Hong Kong should optimize available resources to provide quality education to the whole community;
- (b) The development of a vibrant international school sector and the provision of sufficient international school places are critical to attracting foreign investment and strengthening Hong Kong's position as a world city; and
- (c) While the specific problems of individual international schools would best be dealt with by the Administration, the Administration should consider ways to improve the efficiency and transparency of the various government processes related to school expansion projects.

Follow-up study by the AmCham

4. Following the last BFAC meeting, the AmCham conducted a follow-up study to gauge the views of 31 international schools not covered in the initial study, and six additional schools responded. The report of the follow-up study is at **Annex I**. The follow-up study report has the following major views and recommendations –

- (a) Inefficiencies in the expansion process are not restricted to those Hong Kong Island schools suffering the longest waiting lists of students;
- (b) Apart from geography, there are many factors affecting parents' choice of international schools. The assessment that there is a geographical mismatch between preferred schools of expatriates is too blunt an instrument for assessing and matching real needs with real options open to parents;
- (c) The Government cannot and probably should not attempt to control the international school market. But the Government can and does affect the "playing field" for this market and how level it is, by virtue of its regulatory influence;
- (d) The annual survey of the Education Bureau (EDB) should not be used for planning purposes by schools or parents, or by the Government. Combining all international schools into simple statistical equations of overall annual "vacancies" reported does not reflect the complications for parents in exercising choice amongst vacancies spread erratically all over Hong Kong and over many grade levels and within schools of greatly varying qualities and standards; and
- (e) It is suggested that the annual survey of the EDB should begin to correlate each school's student capacity with available vacancies reported and in what grade levels vacancies are available in their annual surveys, and work with international schools collectively and individually to anticipate expansion requirements as they arise.

The Administration's responses

Government policy on international schools

5. The Administration recognizes that it is important for Hong Kong to develop a vibrant international school sector to underpin our aspiration to be a global metropolis and fortify our status as a regional education hub. To this end, the Administration has been providing various forms of assistance including land grant, interest-free loan for school building, allocation of vacant school premises and nominal rent for the leasing of government premises.

Current provision of international school places

6. The Administration conducts annual surveys on the provision of international school places and the actual enrolment by level and grade as well as the waiting list situation in individual international schools. Based on the survey results of September 2006, the international school sector as a whole offered a total of around 36 000 primary and secondary school places in the 2006/07 school year. The enrolment of the year was about 31 000 students covering over 55 nationalities. While noting that the sector as a whole had an overall occupancy rate of 86.9%, the Administration is fully aware of the need to look at this figure with caution. Despite an overall vacancy rate of about 13.1%, the Administration understands that the more popular schools are over-subscribed with a long waiting list. The situation in individual schools and at individual grades might also differ. Availability of vacancies at a particular grade as of a certain point in time does not necessarily mean that there is ample supply to meet potential demand, considering that the balance between supply and demand is frequently changing due to the movements of the expatriate community in and out of Hong Kong.

7. In general, the Administration accepts that with the robust recovery of the local economy and the inflow of capital investment, there has been increasing demand for places in international schools from families relocating to Hong Kong. The Administration has been taking measures to help the sector meet this demand, including –

- (a) three vacant school premises have recently been allocated for existing school operators to expand their operation;
- (b) government bureaux/departments concerned have been working closely to facilitate, as far as possible, the plans of individual international schools to expand in-situ or on neighbouring lots; and
- (c) funding has been provided for the development of six Private Independent Schools which offer non-local curricula, in order to address the demand of local children for international school places and in turn divert demand from international schools. The latter may then better cater to the needs of expatriates coming to Hong Kong for work.

Administration's responses to the recommendations raised in the AmCham's reports

8. The Administration is open to the views and recommendations of the international school sector. The Administration will continue to liaise with the international schools and other interested parties to assess the potential demand for individual cases, and take necessary measures to expand the capacity of the international school sector. Bureaux/departments concerned will continue with their concerted efforts to facilitate the development of a vibrant international school sector, and work together to consider ways to further improve the efficiency and transparency of the various government processes related to school expansion projects.

9. As announced by the Chief Executive in his 2007-08 Policy Address,

- (a) the Administration will make available a number of greenfield sites at nominal premium for the development of new international schools or the expansion of existing schools. Interest-free capital works assistance loans will also be offered as appropriate. The Administration intends to grant at least three greenfield sites for this purpose. After the sites are confirmed, the Administration aims to invite expressions of interest from potential operators by early 2008 at the latest. With the benefit of the responses received, the Administration will make further planning and invite submission of detailed proposals from those operators who have expressed interest. Details of the selection mechanism will be announced in due course; and
- (b) the Administration also endeavours to speed up the planning and approval procedures for private works. As the first step, the District Lands Offices will set up dedicated teams with an integrated management structure to expedite the processing of lease modification and land exchange applications. To complement this initiative, the head office of the Lands Department will step up case management and monitor more closely the progress of processing applications. The Administration will launch this pilot scheme in

the next financial year by setting up the first dedicated team in the District Lands Office (Hong Kong West and South). The measure is expected to bring about a 10% reduction in the processing time of related cases within the district.

10. The EDB has been liaising with international schools and rendering assistance on school development matters. To facilitate the expansion plans of international schools, in particular on the planning and land issues involved, the Development Bureau will continue its liaison with its relevant departments and with the EDB, with a view to expediting the necessary procedures and resolving matters at an early stage. As far as school registration and school extension are concerned, the EDB has published comprehensive guidelines which are applicable to both public sector schools and private schools including international schools. These guidelines cover all the necessary application procedures and requirements of the EDB and other relevant departments. The EDB also conducts regular briefing sessions on the school registration process. The EDB will consider further enhancing the transparency of the relevant application procedures by working with other relevant government departments to run joint briefing sessions.

11. The Administration will also continue with existing measures to cater for different development needs within the international school sector, as follows –

- (a) encouraging international schools to review their admission policy, giving appropriate priority to those who could not otherwise receive education in the local system;
- (b) encouraging international schools to explore the scope for re-organising classes to meet the shortfall in specific grades;
- (c) exploring the feasibility of allocating suitable vacant school premises to private school operators for the operation of international schools;
- (d) facilitating the expansion of international schools in-situ; and
- (e) offering placement services should individual families encounter problems.

12. Regarding the specific recommendations raised in the first study report and the follow-up study report, the Administration has given its responses at **Annex II**.

Way Forward

13. Members are invited to note the Administration's responses, and to give their views.

Economic Analysis and Business Facilitation Unit,
Financial Secretary's Office
November 2007

Demographics, School Places and Expansion Efforts

An AmCham report prepared for presentation to the BFAC meeting in November 2007 (to follow-up that on “International Schools’ Expansion Efforts in Hong Kong” presented to the BFAC in July 2007).

Introduction:

AmCham's original request to schools for their participation in our study, *International Schools' Expansion Efforts in Hong Kong*, was sent to 20 of the 51 schools listed by the Education Bureau website as being "International Schools". Of those, 12 schools responded positively and were subsequently reported upon.

Two of the schools were subsequently consolidated into a single report from the English Schools Foundation, which has centralised handling of expansion procedures for all 15 of their schools. Their replies in the original study can, by extension, serve as an answer for all 15 schools in their system and that means the original study covered the conditions of 26 international schools of the 51 identified in Hong Kong, just over half.

Study scope expanded:

Some BFAC members asked if we would extend our study to cover all international schools and, in advance of the BFAC's November 2007 meeting this was done.

Follow-up questionnaires to those that had not been previously canvassed were sent to 31 International Schools in Hong Kong in August 2007. The responses are collated below. Three of six responding schools have sought expansion of school premises within the past 5 years and one more is planning to do so. (*See Expansion Effort below.*)

Measuring ‘vacancies’ against capacity:

Another concern expressed by some BFAC members was whether there is a real expansion need because the annual Education Survey of Government last year found there to be about 100 vacancies spread across all 51 International Schools.

An important observation that arises from this follow-up is the erratic and spotty spread of the vacancies reported by schools. Of the six schools that

responded to our follow-up questionnaire, only two report what can be said to be significant absorption capacity at 46% and 41% vacancies (School A: Capacity 150/70 vacancies and School C: Capacity 208/86 vacancies) and the latter's vacancies were all spread over only three grades (LK, UK, P1).

All of the four other schools were from 21% down to statistically negligible numbers (e.g. .07%) and again with spaces available only in a very few grades (no more than five grades' spread in any case).

What is made clear from this is that the annual summary survey of the Education Bureau cannot be used for planning purposes by schools or parents and should not be used for such by Government. The numbers are too skewed between individual grades and too erratic amongst schools to indicate clear absorption patterns. (*See School Vacancies in 2007-2008 below.*)

Mismatch of geographical school location with student demand:

Another concern expressed at the previous BFAC meeting was that the situation is based merely on a geographical mismatch between preferred schools of expatriates, particularly between those on Hong Kong Island and those with vacancies available in Kowloon and the New Territories. This assessment, like the annual vacancies survey of E.B., is too blunt an instrument for assessing and matching real needs with real options open to parents.

For one, schools from all sectors of the city report having expansion difficulties. The follow-up questionnaire replies suggest that inefficiencies in the expansion process are not restricted to those Hong Kong Island schools suffering the longest waiting lists of students. Four of the respondent schools in the follow-up are not on Hong Kong Island, half of them have sought expansion in the past five years and another plans to do so. Two of these report difficulties dealing with government agencies in the expansion process. (*See Expansion Effort below.*)

Making a market for International education:

Besides national preferences for language purposes (e.g. French, German, Japanese, Korean, etc., with parents wanting their children to have access to instruction in their native, non-English tongues), there are questions of local reputation (Which takes years to build.), formal accreditations overseas (Are there third-party assessment bodies used by schools, how often and from

where?) and, in the case of secondary schools, international test score results (SATs, IGCSEs, A-Levels, IB, etc.) and university placements' records.

These and costs of tuitions and debentures combine to "make the market" for international schools' attendance in Hong Kong and they contribute to defining preferred international schools in ways that government cannot and probably should not attempt to control. It is not just about geography.

But government can and does affect the "playing field" for this market and how level it is, by virtue of its regulatory influence.

A need for better numbers:

Conflating all international schools into simple statistical equations of overall annual "vacancies" reported does not reflect the complications for parents in exercising choice amongst vacancies spread erratically all over Hong Kong and over many grade levels and within schools of greatly varying qualities and standards.

It also skews the information in a misleading way, that suggests more capacity than actually exists on the ground. A good analogy would be the hotel industry, wherein an 80% occupancy rate is considered "full" and the basis for expansion planning.

The Education Bureau's annual survey suggests that unless every International School in all of Hong Kong is 100% full there is no need for expansion.

We suggest the annual EB survey begin to correlate each school's student capacity with available vacancies reported and in what grade levels vacancies are available in their annual surveys, and use a hotel or similar industry model to begin working with International Schools collectively and individually to anticipate expansion requirements as they arise.

This would create a partnering of interests around:

- 1) assuring enough school places each year;
- 2) planning for anticipated growth cycles of the economy and future need for school places;
- 3) creating the flexibility to handle unanticipated surges in the system or the needs of International Schools to periodically decamp to temporary quarters during capital construction periods at existing sites.

Locations of all schools (first study and follow-up)

First Study

<i>Hong Kong Island</i>	<i>Kowloon</i>	<i>New Territories</i>
Canadian International School of Hong Kong	International Christian School	Discovery Bay International School
Carmel School		
Chinese International School		
English Schools Foundation (ESF Centre)*		
German Swiss International School		
Hong Kong Academy (Middle School Division)		
Hong Kong International School		
International Montessori School		
Kellett School		

* The English Schools Foundation schools are geographically dispersed. The two schools of ESF participating in the study were not identified.

Follow-up

<i>Hong Kong Island</i>	<i>Kowloon</i>	<i>New Territories</i>
Starters School	Christian Alliance P.C. Lau Memorial International School	California School (Yuen Long)
Hong Kong Academy Primary School	Concordia International School	Lantau International School

Follow-up study charts

Follow-up questionnaires were sent to 31 international schools in Hong Kong in August 2007. Amongst them, 6 schools have replied. Response rate: 19.4%

Demographic data

Of 6 schools that have replied to our follow-up study, 5 schools provided details of their student capacity and demographic data in percentage.

	BNO/HKSAR passport holder	Native born expatriate children	Returning HK expatriates (dual passport)	Ethnic Chinese	US passport holders
School 1	5%	90%	5%	-	-
School 2	31%	52%	17%	70%	10%
School 3	-	-	-	-	-
School 4	2-6%	64.4%	-	-	33%
School 5	20%	50%	5%	30%	5%
School 6	55%	40%	5%	60%	5%

Vacancies in these schools in the 2007-08 school year:

	Student capacity	Number of Vacancies	In Grades
School A	150	70	All except F4
School B	500	10	Various
School C	208	86	Lower Kindergarten, Upper Kindergarten, P1
School D	360	26	Y6, Y8
School E	196	3	P6
School F	95	20	G7, G8, G9, G11, G12

Expansion effort

Of 6 schools that have replied to our follow-up study, 3 schools have sought to expand their school's premises in the past 5 years, and 1 school is planning to do so in the near future.

The number of years taken for the school to successfully to implement the expansion, difficulties encountered and latest developments:

	No. of years	Difficulties	Latest development
School 1	-	-	-
School 2	In the process	The school has formerly engaged the EMB in discussions regarding potential for land/capital expansion grants. To date, such dialogue has not been productive.	A steering committee regarding school expansion has recently been formed.
School 3	-	-	-
School 4	1	Limited space resources are available for school use.	-
School 5	In the process	No support from the Land Department, the Island District Office and the EMB; waiting for the government to resume control of a village soccer pitch which has been closed down in 2005 to prevent the school from using it.	A Town Planning Board meeting in late August 2007 objected the school's demand of using the 2/F and 3/F of a building in a village that the school leases as part of their campus.
School 6	Planning	-	-

Schools participating in follow-up study

School name	Contact details	Headmaster
A. California School (Yuen Long)	info@californiaschool.edu.hk	Mr Pervez Akhter
B. Christian Alliance P.C. Lau Memorial International School	info@cais.edu.hk	Mr Arthur D Enns
C. Starters School	starters_school@yahoo.com	Ms Ellen Y W Shek
D. Hong Kong Academy Primary School	kitty.lau@hkacademy.edu.hk ; director@hkacademy.edu.hk ; office@hkacademy.edu.hk	Ms Teresa Claire Armellino
E. Lantau International School	supervisor@lis.edu.hk ; lisadmin@lis.edu.hk	Mr Serge Berthier
F. Concordia International School	office@cihs.edu.hk	Mr Mark Andrew Mihorean

Replies to BFAC's specific questions on the 'International Schools' Expansion Efforts in Hong Kong' study

BFAC sought clarification to the following 3 recommendations raised in the study.

1) Recommendation 9 states that ".....The Architectural Services Department's list of approved architects is limited only to those experienced at building "standard" public schools and inhibits choices for schools that want more innovative design features to find appropriate architects....."

We have gathered from the Education Bureau that they do not have a standard schedule of accommodation for international schools and no standard school design is applicable to this sector. The Education Bureau also advises that they have been promoting innovative school design and have not imposed requirements that are detrimental to this objective.

Regarding the restriction on innovative design as claimed by the schools concerned, we need more concrete examples and facts to illustrate the case. Please assist in obtaining more relevant details and examples from the schools to facilitate our follow-up action with the department.

2) Recommendation 5 states that "when abandoned school sites are taken over, GPA deposits are required to cover hypothetical costs of restoring abandoned buildings to their previous state"

According to the GPA, they manage 8 tenancy agreements with 7 international schools by July 2007. All the 7 international schools are paying nominal rents for the use of their premises. No deposits have been charged for the tenancies in force.

Please provide more specific details and examples in support of the claim of charging of significant deposit by the GPA.

3) Regarding recommendation 6 concerning GPA's appointed estate agents, please provide examples to illustrate difficulties encountered by the schools in finding a mutually satisfactory resolution to simple problems, if possible.

The request was sent to all 12 participating schools of the study. One school replied to the architectural services question, other schools sent in comments rather than direct replies.

BFAC noted:

Recommendation 9 states that ".....The Architectural Services Department's list of approved architects is limited only to those experienced at building "standard" public schools and inhibits choices for schools that want more innovative design features to find appropriate architects....."

We have gathered from the Education Bureau that they do not have a standard schedule of accommodation for international schools and no standard school design is applicable to this sector. The Education Bureau also advises that they have been promoting innovative school design and have not imposed requirements that are detrimental to this objective.

School's reply:

The issue here is that the government consultants and contractors all work off the standard design. When we introduced changes to that model we always had to show that our design was in place of something in the original, which took time and often resulted in confusion.

Things like the CFA (area of space) and allocated areas were paid for by the government in our case (PIS), with a capital subvention based on student numbers. The space allocated for numbers of students translates into dollars for area per students and so creative designs often means substituting traditional space allocations for what we wanted in our school.

For example, faculty office areas in a local school tend to be centralized but we put our personnel in classrooms. We therefore took the office area and used it for a swimming pool space at considerable additional expense to us, but the space allocated to faculty was hard for the consultant and government architects to change because of the mindset.

We found the Education Bureau to be extremely helpful, but it is a school culture shift that creates a challenge in the industry.

BFAC noted:

Regarding the restriction on innovative design as claimed by the schools concerned, we need more concrete examples and facts to illustrate the case. Please assist in obtaining more relevant details and examples from the schools to facilitate our follow-up action with the department.

School's reply:

Many of the top international schools are putting in theaters and large fine and performing art centers. These take considerably more space and quality materials than the standard Auditorium cum gym facilities that predominate in the local school mindset.

I believe that the greatest issue is that the government struggles with the need to allocate more resources for capital projects in both land and building design and yet wants innovative programs that call for larger space within and outside buildings.

Other schools' comments:

School 1:

With regard to the specific questions, we don't see any of ours raised here. Our issue is the lack of sites – at all. The fact there is no database of sites and no responsibility within one government body (i.e. the GPA has some, the EDB has some, the Lands Department has others) remains a major source of frustration -- there is no clear direction regarding how to go about bidding. It seems clear that both sites were awarded to schools in the last round where those schools were already in contact with the appropriate bodies, regardless of the “transparency” of the EDB process.

School 2:

We so far have not been involved with the government's Architectural Services Department and have no dealings with GPA, but in general we would be in favour of innovative and non-restrictive design features.

Prepared for presentation by Jack Maisano, President, AmCham to the Business Facilitation Advisory Committee, November 2007.

This report was compiled by Cecilia Szeto, AmCham Press Affairs Manager and Hanford Sheng, a student intern, under supervision of Fred Armentrout, Communications Director.

**Administration's Responses to the
Suggestions Made by International Schools
Contained in the AmCham Reports**

	Suggestions made by the Schools (Source: AmCham Reports)	Administration's Responses
1.	<p>A list of "dying schools", meaning schools being closed down by EMB, should be made available to all existing or prospective International Schools on a regular basis (e.g. quarterly). Currently, EMB invites schools to look at properties only when they are offered for tender; there is no prior indication of when such properties might become available.</p>	<ul style="list-style-type: none">• Not all vacant school premises are considered to be suitable for recycling for education purposes. For those that are considered to be suitable, there may be competing priorities among different education uses, international schools being just one of the possible uses. It would be misleading to provide a full list of vacant premises for reference by international schools, as if they would all be made available for expansion of the international school sector.• Having said this, Education Bureau* (EDB) has been promoting the proposed information sharing as far as possible through the Expression of Interest (EoI) exercise. In the EoI exercise in November 2006, EDB had provided advance information to international schools about the availability of suitable premises in the foreseeable future.• EDB will consider stepping up information sharing by giving more advance information (on premises that may be earmarked for use by international schools) in an appropriate way in future EoI exercises.

* EMB (Education and Manpower Bureau) was renamed as Education Bureau (EDB) after the re-organization of the third term HKSAR Government on 1 July 2007.

	Suggestions made by the Schools (Source: AmCham Reports)	Administration's Responses
2.	A database should be created of commercial properties that are suitable or potentially so for school use.	<ul style="list-style-type: none"> • It is not considered practicable for the Administration to maintain such a database on the private property market. EDB has been liaising with international schools and rendering assistance on school development matters through assigned officers. EDB has also published guidelines on the necessary application procedures and requirements of relevant departments concerning the registration of schools in premises not designed and constructed as schools. Individual schools are advised to make reference to the guidelines and where appropriate, consult their consultants or obtain professional advice from private property agents.
3.	An orientation program should be instituted for all International Schools, characterized by one school as "Government Departments 101" which should be designed to assist schools seeking expansions to better understand the workings of government departments.	<ul style="list-style-type: none"> • As far as school registration and school extension are concerned, EDB has published comprehensive guidelines which are applicable to both public sector schools and private schools including international schools. These guidelines cover all the necessary application procedures and requirements of EDB and other relevant departments. EDB also conducts regular briefing sessions on the school registration process. • Since the situation of individual schools could be very different, EDB has been rendering assistance as and when necessary, taking into account the specific circumstances of each case. EDB understands that schools in general find it useful. • EDB will consider further enhancing the transparency of the relevant application procedures by working with other relevant government departments to run joint briefing sessions that would make reference to a range of practical examples.

	Suggestions made by the Schools (Source: AmCham Reports)	Administration's Responses
4.	<p>EMB site application procedures are clear, but criteria for awarding contracts are not. Some schools believe site allocation is driven by influence rather than objective demonstrations of relative need and compatibility of needs with sites on offer.</p> <p>More transparency is needed in the EMB site applications process: The School Allocations Committee decides who wins contracts but there is no access to criteria of selection by applicants. While the process requires schools to provide much information about themselves and their site plans, detailed information about terms and conditions of allocation are not available in advance. This means large investments of time and preparation costs must be developed while schools are blind to likelihood of success.</p>	<ul style="list-style-type: none"> • The school allocation mechanism is a standing mechanism which highlights fairness and transparency. • In the recent allocation exercises for international schools, EDB had provided applicants with detailed guidelines on compiling a school proposal, setting out various criteria to be considered in its selection process. • These guidelines should help individual schools to focus their effort on matters to be considered by the School Allocation Committee, e.g. student mix, nature of demand, investment into the vacant premises, etc. • EDB will update and promulgate these guidelines in the future school allocation exercises for international schools.
5.	<p>When abandoned school sites are taken over, GPA "deposits" are required to cover hypothetical costs of restoring abandoned buildings to their previous state, when it is doubtful this will ever be the case. Deposits should be waived to allow schools to use the funds for expansion restorations as no practical purpose is served by the taking of such property deposits.</p>	<ul style="list-style-type: none"> • As in all commercial lettings subject to the payment of market rent, a rental deposit will be charged from the tenant when the tenancy commences. This accords with the market practice and is applicable to schools. Being a landlord who holds its properties on behalf of the general public and is obliged to protect their interest, the Government is not different from other landlords in reserving its rights over the properties. However, deposit is not normally demanded for tenancy on nominal rental basis. • At present, Government Property Agency (GPA) manages seven tenancy agreements which were granted to six international schools, all at nominal rent. No deposit is being charged for the tenancies in force.

	Suggestions made by the Schools (Source: AmCham Reports)	Administration's Responses
6.	GPA's appointed estate agents should see the schools as their clients and develop service attitudes and supports that expedite rather than delay renovations, once underway.	<ul style="list-style-type: none">• GPA's appointed agents are employed to provide property management services to the common areas of designated premises. The agents have been advised to adopt a customer-centric approach. As far as international schools in GPA's leased premises are concerned, the agent's services have been well received by the school based on GPA's observation. Neither GPA nor the agent has received any complaint from the school concerned about the agent's services. GPA will keep on monitoring the agent's performance to ensure that customer-centric services will continue to be provided.
7.	EMB's "class size" criteria for public schools should not be the normative measure of space "needs" for International Schools, which typically have class sizes at half or less of those considered "normal" in public schools.	<ul style="list-style-type: none">• This is a misunderstanding. EDB does not have a standard schedule of accommodation for international schools. Nor has EDB applied the aided school standard in facilitating the development of individual international schools.• EDB has been exercising flexibility in addressing the infrastructure need of international schools.

	Suggestions made by the Schools (Source: AmCham Reports)	Administration's Responses
8.	<p>Priority in allocation of spaces should be given to helping schools keep all facilities of the same school within closest practical proximity to each other and to allow integration of campuses whenever possible. Currently, most schools seeking expansion are told to first look at satellite campus sites.</p>	<ul style="list-style-type: none"> • In most cases, there is a shortage of developable land or suitable premises in the proximity of the international schools for their expansion. • That said, the Administration will strive to make available suitable premises and facilitate in-situ works so that international schools could expand operation in the proximity of their current premises. For example, an international school's application to add two floors on top its existing building at Tai Tam Campus site has been approved in recent years. • In view of scarce land resources, particularly on Hong Kong Island, EDB has been encouraging schools to explore expansion in Kowloon or New Territories. Planning Department (PlanD) has been rendering its assistance to EDB in conducting site searches. • The CE has announced in the 2007-08 Policy Address that a number of greenfield sites will be made available for the development of new international schools or expansion of existing international schools. The Administration aims to conduct an EoI exercise in early 2008 at the latest. The Administration is studying the potential sites and will announce the details of such sites when they are confirmed.
9.	<p>Architectural diversity and innovation should be encouraged for greenfield and renovation sites of International Schools, as their physical plants should further enhance the educational environment. As such, Government procurement procedures should be reviewed with an eye toward expanding contractor choices. The</p>	<ul style="list-style-type: none"> • EDB does not have a standard schedule of accommodation or design for international schools. • EDB has not imposed any requirements that inhibit innovative school design. • For Private Independent School (PIS) projects (some are covered in

	Suggestions made by the Schools (Source: AmCham Reports)	Administration's Responses
	<p>Architectural Services Department list of approved architects is limited only to those experienced at building "standard" public schools and inhibits choices for schools that want more innovative design features to find appropriate architects. Relatedly, there is considerable pressure to accept architects offering the lowest tender as the primary selection criterion. Criteria should also include how well designs match the pedagogical aspirations and requirements of individual schools.</p>	<p>AmCham's report), the school management is encouraged to use Architectural Services Department's (ArchSD) approved architects and accept the lowest tender.</p> <ul style="list-style-type: none"> • While school management is encouraged to use ArchSD's approved list, the Administration does not insist. The Administration uses ArchSD's list to select consultant architects for the full spectrum of its projects, from office buildings to quarters, sports facilities, police stations, fire stations, etc. The list is therefore definitely not limited only to those architects experienced at building "standard" public schools. In fact, there is no "standard" public school as such anymore. All schools implemented by ArchSD are designed individually. It is a misconception that the Government has in any way imposed any requirements that inhibit innovative school design.
10.	<p>Expansion of International Schools needs to be given a higher standing in Government's scale of land use priorities. Some schools see Hong Kong Island's "land shortage" as a reflection of government's assignment of a low priority to their needs rather than a response to actual physical realities. There is much available land on the island, if government views expansion of International Schools as an important adjunct to Hong Kong's competitiveness and expansion of foreign investment (e.g. as opposed to priorities given to auction values for residential development or the saving of every inch of greenbelt areas, irrespective of actual public use or potential use).</p>	<ul style="list-style-type: none"> • Like any other projects, applications for school expansion plans have to be processed through a due process. Development Bureau (DEVB) is aware of the concerns raised by international schools over their expansion plans, in particular on planning and land issues, and plays a facilitating role. School expansion plans often involve changes in land use which may require approval by the Town Planning Board and consultation with the District Councils concerned. In this regard, DEVB will continue its liaison with Lands Department (LandsD), PlanD and Buildings Department (BD) and with EDB, with a view to expediting the necessary procedures and resolving matters at an early stage.

	Suggestions made by the Schools (Source: AmCham Reports)	Administration's Responses
11.	<p>Approval times need to be shortened and a "pledge" system invoked to cause Government departments to measure their performance by the reduction of times such approvals require. Time is money for schools as well as other businesses and time lapses between plans and approvals currently average a full year, and even the installation of an elevator in one case took a year. This is quite long for government approvals in the opinion of some schools with similar experiences elsewhere in the world.</p>	<ul style="list-style-type: none">• A pledge system is in place in many of the compliance processes, such as school registration. For example, for school registration, EDB would process in ten days when all required information and documents are received and found in order.• There are complex cases which have taken longer than normal to complete.
12.	<p>School leases for rentals of properties should be offered on long term bases rather than from year to year, as was the case with one school which was finally, after six years, given a two-year lease -- and that due only to intervention on its behalf by Invest Hong Kong. This makes planning difficult and puts the schools' considerable cash investments in renovation at risk with the uncertainty of renewal at the lapse of each contract period.</p>	<ul style="list-style-type: none">• The site in question is subject to land disposal and has been leased on the understanding with the school concerned that it is on a short-term basis and that the school would need to pursue alternative accommodation in the long run.• The school concerned was well aware of the temporary nature of its use and occupation of the site when the initial tenancy commenced. Subsequent renewal of tenancies could be offered to the school merely due to the change in land disposal schedule. When the tenancies were last renewed, the school acknowledged the short tenure and pledged to find alternative premises for the establishment of permanent campus and vacate the site upon expiry of the current term.

	Suggestions made by the Schools (Source: AmCham Reports)	Administration's Responses
13.	<p>EMB should reconcile its own procedural calendar with the holiday schedules of International Schools (e.g. in one case, it called for a planning meeting in July, during summer holidays, and then for expressions of interest in a site during Easter recess).</p>	<ul style="list-style-type: none"> • EDB notes the special mode of operation in the international school sector and has been accommodating by, for example, extending deadlines or rescheduling meetings if requested. EDB will continue to bear in mind the school calendar when working with international schools.
14.	<p>A high-level liaison officer to help International Schools with expansion is needed, but that person should be trained and have the authority to make the process become less and not more bureaucratic. What is lacking is an advocate within government accompanied by a policy priority that would impel government departments to use haste. Schools now must continually press departments for responses to their applications and appeals.</p>	<ul style="list-style-type: none"> • EDB has been liaising with international schools and rendering assistance on school development matters through assigned officers. EDB also notes that most schools have found its support helpful. For cases which require contributions from EDB, EDB has been maintaining close contact with the international schools involved with a view to identifying a timely solution to facilitate their expansion. DEVB is also aware of the concerns raised by international schools over the international schools' expansion plans, in particular on planning and land issues. School expansion plans often involve changes in land use which may require approval by the Town Planning Board and consultation with the District Councils concerned. In this regard, DEVB will continue its liaison with its relevant departments and with EDB, with a view to expediting the necessary procedures and resolving matters at an early stage. Since the expansion of international schools may take different forms and the involvement of different government departments may vary depending on the circumstances of each case, EDB will consider further enhancing the transparency of the relevant application procedures by working with other government departments to run joint briefing sessions that would make reference to a range of practical examples.
15.	<p>What's needed is a "one-stop" service, staffed by senior officers capable of consolidating and reconciling requirements of the fourteen agencies of government with which schools seeking expansion must deal. Individually, departments are helpful but collectively, they create an exhausting labyrinth of documentation. One school had to send 70 copies of documents to all relevant departments and then answer questions individually from each one. Specially trained people in Government should be in place to facilitate their expansion requirements within Government bureaucracies and consolidate information flows.</p>	

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16.	<p>Emergency re-housing procedures should be set in place to deal with situations arising wherein schools may sustain damage in floods, etc. that would enable prompt temporary relocations in emergencies.</p>	<ul style="list-style-type: none"> • EDB's regional network operates to attend to matters relating to the day-to-day operation in individual schools (including international schools). The current system works well in addressing emergency situation of a diverse nature.
17.	<p>Paperwork requirements for the importation of foreign teachers should be reviewed and streamlined to reflect a desire to welcome rather than frustrate importation of foreign talent. EMB's paperwork demands for highly qualified and experienced teachers' records, going all the way back to their secondary school educations, seems excessive and the vetting of overseas teachers' credentials and separate assessment by HKCAA can be streamlined. Similarly, overly prescriptive questionnaires for the programming expansion of kindergartens, such as those that go from 1/2 to full day classes, may reflect a "one-size-fits-all" approach to such approvals that is unnecessarily detailed in its reporting demands. Relatedly, application of the recently required mandatory Kindergarten qualifications does not take into account that in some school systems, such as those in U.K., Reception classes are embedded in Primary schools and teachers with extensive experience teaching Reception could not be registered to teach in Hong Kong because they lacked specific local Reception qualifications.</p>	<ul style="list-style-type: none"> • Qualification assessment of teachers is not confined to teachers in international schools. It is necessary to maintain some standard threshold for all schools. EDB has been engaging Hong Kong Council for Academic Accreditation (HKCAA) as an independent expert for qualification assessment. • In response to the problems reported by international schools, EDB has already taken up the issue about streamlining procedures with HKCAA. EDB's understanding is that the situation has been improved significantly. • EDB will continue to offer assistance in individual problem cases.

	Suggestions made by the Schools (Source: AmCham Reports)	Administration's Responses
18.	<p>The annual summary survey of the Education Bureau should not be used for planning purposes by schools or parents, and by the Government. Conflating all international schools into simple statistical equations of overall annual “vacancies” reported does not reflect the complications for parents in exercising choice amongst vacancies spread erratically all over Hong Kong and over many grade levels and within schools of greatly varying qualities and standards.</p> <p>It is suggested that the annual Education Bureau survey should begin to correlate each school’s student capacity with available vacancies reported and in what grade levels vacancies are available in their annual surveys, and use a hotel or similar industry model to begin working with international schools collectively and individually to anticipate expansion requirements as they arise.</p>	<ul style="list-style-type: none">• The Administration conducts annual surveys on the provision of international school places and the actual enrolment by level and grade as well as the waiting list situation in individual international schools.• The Administration is aware that the situation in individual schools and at individual grades might differ. The survey results will serve only as a reference rather than as the absolute basis for planning the provision of places in the international school sector.• While the annual surveys reflect the supply of places and the enrolment situation, it has always been difficult to forecast the potential demand which hinges to a large extent on the movements of the expatriate community in and out of Hong Kong. Having said this, the Administration will continue to liaise with the international schools and other interested parties to assess the potential demand for individual cases and take necessary measures to expand the capacity of the international school sector.