

INTERNATIONAL SCHOOLS' EXPANSION EFFORTS IN HONG KONG

A report on efforts of 12 international schools in Hong Kong to add places for new expatriate students over the past five years, with recommendations for the streamlining of government handling of such expansions in future.

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Abbreviations

- DSS Direct Subsidy School – is instituted by EMB as a means to enhance the quality of private schools at the kindergarten, primary, and secondary levels. The school is granted a subsidy based on its operating history; the subsidy is calculated according to the average unit cost for each local student enrolled.
(<http://www.edb.gov.hk/index.aspx?nodeid=1475&langno=1>)
- EMB Education and Manpower Bureau - renamed as Education Bureau (<http://www.edb.gov.hk>) on July 1st 2007, is responsible for the policy portfolio of education, while the Labour and Welfare Bureau now takes up EMB's policy responsibility of manpower.
- ESF English Schools Foundation (www.esf.edu.hk) - was established by the Hong Kong government to provide a “modern liberal education” through the medium of English. It is the largest English-stream school system in Hong Kong with over a dozen schools, but is not a “public school” system in the American sense.
- GPA Government Property Agency (www.gpa.gov.hk) - Its main functions are to meet the needs of all bureaux and departments for joint-user general use offices and quarters; to manage government properties efficiently and cost effectively and to optimize the use of Government sites and properties.
- HKCAA Hong Kong Council for Academic Accreditation (www.hkcaa.edu.hk) - an independent statutory body that provides authoritative advice to the Government on the academic standards of degree programs in higher education institutions in Hong Kong and provides accreditation and assessment services to private institutions and programs at sub-degree and secondary school levels.
- NGO Non-governmental organizations (http://en.wikipedia.org/wiki/Non-governmental_organization) – can refer to many different types of organizations. In its broadest sense, a non-governmental organization is one which is not directly part of the structure of government.
- PIS Private Independent School – is a non-profit-making school which does not receive any Government recurrent subsidies, except reimbursement of rates.
(http://www.edb.gov.hk/FileManager/EN/Content_741/schcomparison%202.pdf)
- REO Regional Education Officer - Regional Education Offices are responsible for forging a closer partnership with schools and to provide comprehensive and integrated services to schools and the public at the district level. Education Officers (Administration) serve in these offices in the post of 'School Development Officers'.
(www.edb.gov.hk/index.aspx?langno=1&nodeid=234)

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- B. *BCEd Press release (July 22, 2005), announcing the results of the summer survey.*
- C. *Information paper on “Provision of Places in International Schools” prepared by the Education and Manpower Bureau in December 2005*
- D. *Letter from Jack Maisano to Financial Secretary Henry Tang in June 2006*
- E. *Statement by AmCham’s Education Task Force, “A Policy Proposal: International Education for an International City”*
- F. *Report by Jack Maisano to the AmCham Education Task Force on AmCham’s presentation to the International Business Council on October 23, 2006*
- G. *International Education: Hong Kong’s Best of the Best (Excerpt from Living in Hong Kong, published by the American Chamber of Commerce in Hong Kong, January 2007, p. 296-298)*
- H. *Hong Kong’s Competitiveness: A letter to AmCham from a frustrated foreign investor indicative of damage potentially done due to lack of expatriate student school places.*
- I. *International Schools Report as at July 6, 2007 (produced quarterly for clients only by Colliers International)*

Section 1

Introduction

AmCham has been actively seeking to help alleviate the shortage of school places for incoming expatriate children in International Schools since the summer of 2005. In June of that year, we were asked by our partners, fellow members of the Business Coalition on Education (BCEd), if we would conduct a survey of our members so as to add to the results of surveys by other chambers of commerce (notably the British, Canadian and Australian chambers) intended to demonstrate that there was a severe shortage of school places for incoming expatriate children.

That hastily conducted survey was in response to pressure from our members to do something about impending school place shortages with the start of school in September 2005. (See Appendix A for related documents.)

A “Legislative Council Panel on Education” had outlined Hong Kong Government agency views on the “Provision of Places in International Schools” in a paper (Appendix C) that same year. Based on annual survey results, it noted that there were 56 international schools in Hong Kong and claimed that there were vacancies -- and so, by extension, suggesting that there was no shortage of International School places in Hong Kong. This was in clear contradiction to the concerns expressed by international chamber members and by results of the BCEd summer survey. (See Appendix B for related documents.)

As it does every year, by the start of the school term, the problem “went away.” People had either found school places, sent their children overseas to school or left their children behind in home countries until space could be found, or had just not come to Hong Kong at all. But complaints from AmCham members continued.

In June 2006, as the problem returned in earnest with a new round of expatriates coming to town, and in growing numbers according to Invest Hong Kong statistics, the issue was raised in a private meeting with The Honorable Henry Tang, Financial Secretary of the HKSAR.

He invited AmCham to submit an outline of what our members considered problematic, to see what actions might be taken to improve things. A short narrative survey of AmCham member schools’ expansion delays induced by the complexities of dealing with government agencies was undertaken and the results submitted to Mr. Tang in late June. In September, he replied that all agencies had reported back to him that “the current mechanism was functioning well.” (See Appendices D and E for related documents.)

In October 2006, then-chairman Steve Marcopoto submitted a presentation to the International Business Council, chaired by Chief Secretary Rafael Hui and a report on results was made to AmCham's Education Task Force. (See Appendix F for related documents.)

Following that meeting, AmCham was invited by members of the Business Facilitation Advisory Committee to provide any evidence we had of problems being encountered by specific schools. Rather than piece another patchwork survey together, AmCham commissioned professional researchers to conduct an extensive narrative study of a dozen of the most well-established International Schools in Hong Kong.

This report is a result of that effort and it is offered in hopes that a single streamlined and expeditious process can be developed to enable Hong Kong to keep up with its growing demand for International School places; and to do so in ways that keep the promise of what International Schools typically provide: a world standard of education in state-of-the-art physical facilities. (See Appendix G for profile of Hong Kong International Schools' performance.)

To sustain their standards, existing International Schools must be empowered to undertake expansions of school places and facilities in ways that are both cost effective and timely. They are a unique form of private/public partnerships that have become part of the essential fabric of Hong Kong's education system. But they are also businesses, that must operate within the constraints of government regulations, licensing and land use rules. Being such, they are quite properly within the mandate of the Business Facilitation Advisory Committee to assist.

Submitted to the Business Facilitation Advisory Committee by Jack Maisano, President, the American Chamber of Commerce in Hong Kong, 25th July 2007.

Jack Maisano
President
The American Chamber of Commerce in Hong Kong

Section 2

Methodology

The concept of this study grew out of requests by AmCham member companies and member schools to find a way to assist a more expeditious means by which International Schools in Hong Kong might expand their facilities to meet the burgeoning need for incoming expatriates to find school places for their children in Hong Kong. These concerns led to creation of an Education Task Force at AmCham and that group recommended we seek to develop a study of the problems being faced by schools in their dealings with agencies of Hong Kong Government, when approvals for expansions are requested.

It was decided to commission professional researchers to interview people involved in expansion plans at a dozen of the major International Schools offering English-language stream educations, with an emphasis on Hong Kong Island schools, as that is where most demand exists. However, the study also includes schools in Kowloon and on Lantau Island. The study was not limited to "American stream" schools, since many American expatriates send their children to schools with other curricula as well (e.g. British, Canadian, etc.) and such schools commonly graduate secondary students who go on to U.S. universities.

Researchers were tasked with developing narratives of schools' experiences, in which schools would be identified by alphabetical designations only. The purpose is to, by that means, focus on the systemic problems that emerge from their narratives and avoid any preconceptions that may exist about individual schools. All schools and people contacted are specifically identified in the list of Participating Schools (part 6 of this report).

These systemic concerns are covered in the Main Findings, which look at school expansion experiences in four categories: commercial property leasing, expansion on site, greenfield site land grant applications, and access to derelict EMB sites (usually abandoned public schools).

Researchers were also asked to develop rudimentary demographic information about each school, to be reported collectively but otherwise be kept confidential. All schools report statistics differently and the English Schools Foundation centralizes its expansion activities and its statistics, all of which makes hard comparisons impossible.

Schools were asked to tally the number of "local" students (BNO/HKSAR passport holders), the number of native-born expatriate students, returning Hong Kong expatriates, total ethnic Chinese in their

schools and the total U.S. passport holders. Totals of the schools that responded are in the Waitlists and Demographics section.

We also asked for waitlists information, to which five schools responded. Others do not keep waitlists. For the five schools, waitlists total 1,654 children or an average of 331 students per school. Particularly high waitlists were observed at Kindergarten/Reception and certain grades (e.g. G6 and G7).

We also asked researchers to determine how many and which agencies of government must regularly be dealt with by schools seeking expansion, which total 14 in number. And we asked that school administrators assess their experiences with these agencies and estimate the costs to their schools in man-hours and money to meet the demands of the government agencies.

Finally, we asked for their recommendations on what might be done to facilitate their expansions in future.

Section 3

Summary of the Findings of the Study

NOTE: Views expressed in this report are those of the study participants and do not necessarily represent the views of AmCham Hong Kong.

- 1) Even if we assume that parents apply to multiple schools for their children, waitlists are real and long at International Schools.
- 2) International Schools are firmly woven into Hong Kong's cosmopolitan lifestyle and are an important and fundamental part of the fabric of primary and secondary education options for Hong Kong people, both foreign and domestic. They are no longer "foreign" appendages to the mainstream education system but part of the broad selection of educational choices in Hong Kong.

The composition of International Schools is now overwhelmingly ethnically Chinese, which reflects two trends: Shifting of local students into the system, with ranges of up to 15% of student populations in schools surveyed; and the impact of the children of returning Hong Kong people with dual passports. In most cases, they have lacked the luxury of choice between local and international schools because their children have started in English-stream education systems overseas. What that means is that turnover at the schools has steadily shrunk, with more and more students staying in Hong Kong for their entire school career.

- 3) Expansion of existing school places is expensive in terms of the time, man-hours and cash outlays to schools. Schools are often ill-equipped to deal with the complexities of land zoning issues, architectural details or building construction codes -- particularly so where need is most acute, with primary schools, which seldom have professional positions for facilities managers to deal with complex government agency demands.
- 4) There is room for improvement in the way the Hong Kong government deals with expansion requests from International Schools. Those requests need both a higher action priority and expansion policy from the highest levels of government. There is also need for a "one-stop-shop" streamlining effort, so as to better and more efficiently coordinate a school's dealings with the 14 agencies of government it must now approach for action on school expansion.
- 5) International Schools are part of the "soft infrastructure" that defines Hong Kong as a world city. Hong Kong's success as a world center

requires more International School places, demonstrated by extensive waitlists at existing schools and by consistent company complaints to foreign chambers about the lack of student seats for their staff members' children; and by the views outlined below.

This all speaks to the conclusion that Hong Kong's competitiveness is being negatively affected by the inability of incoming investors to find places in school for the children of their expatriate staff members, which in turn limits their ability to transfer the best and brightest people here. As this report was being prepared for release, the letter included as Appendix H under the title "Hong Kong Competitiveness" was received by AmCham's president. It is included with the sender's permission because it is a good example of the kinds of decisions business investors are being forced to make due to lack of school places for their children or the children of their employees in Hong Kong.

Section 4

Summary of Individual School Suggestions

NOTE: Views expressed in this report are those of the study participants and do not necessarily represent the views of AmCham Hong Kong.

What follows are 17 suggestions for improvements based on comments from the schools themselves:

1. 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.
2. A database should be created of commercial properties that are suitable or potentially so for school use.
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.
4. 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.

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.

5. 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.
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.

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.
8. 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.
9. 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 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.
10. 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).
11. 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.
12. 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.

13. 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).
14. 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.
15. 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.
16. 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.
17. 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.

Section 5

Main Findings

In seeking to expand, schools have a number of options available to them. These include:

- 1 leasing a commercial property;
- 2 expanding on a current site;
- 3 applying for a greenfield site land grant; and
- 4 taking over the lease of a government property.

The survey of the international schools shows that each presents its own challenges.

Leasing a commercial property

A number of the schools (Schools A, D and G) currently rely on using commercial property to a greater or lesser extent. One other school (School C) is currently exploring the option of moving to commercial property. Some of the comments and concerns about using commercial property for educational purposes included the following:

- Commercial property is expensive to lease and this can lead to fees being uncompetitive with schools that do not have to rely on this option.
- Commercial properties are rarely purpose-built; for example, they do not have outside play areas or sports facilities. Also, they become less suitable as students become older, for example, when students require science laboratories and other specialist facilities. This constraint is unsatisfactory for the school from an educational standpoint. It also makes these schools less competitive in the eyes of parents.
- Commercial properties are rarely large enough to accommodate whole schools. This requires schools to work across split campuses, which is inefficient and which they find does not support their pedagogical values.
- Getting approval for leased commercial premises was a procedure that School A reported involved “a lot of delay” and stress. In the case of this school, they only received government registration approval three days before the school was due to open.
- There is no database of commercial sites that are suitable (or potentially suitable) for school use. This makes looking for potential sites difficult and time consuming.

Expanding on a current site

Five of the schools were in the process (or had recently) expanded on their current site through building work (Schools D, E, F, H and J). Schools reported a range of experiences with common variables being the school's location and whether the expansion plans included building within the footprint of an existing structure. Some of the issues that these schools raised included the following:

- One school's location (in a congested area and close to a country park) meant that its development proposal met with opposition from several government departments, namely the Transport Department, the Agriculture, Fisheries and Conservation Department and the Leisure and Cultural Services Department. Attempts to rework the application and apply for rezoning both proved to be futile. The school (School D) eventually concluded that after six years of work, it was back to square one.
- Another school (School F) reported that a year had elapsed between the submission of plans and approval. While they had been warned that this was about the norm, they found the length of time extraordinarily long compared with other countries. They also expressed frustration that geotechnical* requirements in the area had changed recently and become more stringent since last time a building was erected in the area. The reticence of individuals in the process to take responsibility for decisions had also led to delay.
- School E had successfully applied to rezone two adjacent sites next to one of its campuses but reported that although the Town Planning Board approved the rezoning in October 2006, the school had received no formal paperwork and the rezoning had not been gazetted. The school was waiting for the rezoning in order that it could then apply for a land grant (an estimated year's wait), plan (for an estimated 18 months) and then build (estimated to take two years). The school does not believe that it will get its new premises before mid-2012.
- Schools D and J reported satisfaction that plans to build within the footprint of existing buildings were progressing smoothly. School E (completing the last phase of planned development on a previous greenfield site) also expressed satisfaction.

* Geotechnical engineering includes investigating existing subsurface conditions and materials; assessing risks posed by site conditions; designing earthworks and structure foundations; and monitoring site conditions, earthwork and foundation construction.

Applying for a greenfield site land grant

One school (School G) has successfully applied for a land grant under the PIS scheme. The school was due to move to its new premises in late 2007. The ESF had also successfully applied for two new PIS schools: Renaissance College in Ma On Shan (opened September 2006) and Discovery College (due to start using its new premises in September 2008). Some issues raised about the process included:

- It was felt that the grant application guidelines could have asked the school to provide more detailed building/funding plans as part of the tendering process. One school (School G) reported that when the reality of the task hit, it was realized that they were actually poorly prepared for the challenges that lay ahead. More clarity and transparency in what government requires would have prevented this dilemma.
- Frustration was expressed about the lack of choice of architects. School G felt that they did not have as much freedom as they would have liked to design the school to fit their unique needs.
- School G thought it was a shame that the terms of their new school agreement did not allow them to integrate their pre-school into the same campus as the elementary and secondary students.
- It was felt that although there were no secrets, there were often many assumptions made by government agencies about how to get things done.

Taking over the lease of a government property

Of the schools surveyed, three schools (Schools B, C and F) currently lease government property through the GPA. One of these schools leases a purpose-built school building. The others lease other buildings and have refitted them.

Five of the schools (Schools A, B, C, H and I) have recently tendered through the EMB to take over “dying schools”, i.e. schools that are about to close.

Some of the comments and concerns about leasing property through the GPA included the following:

- Schools felt that they did not fully understand the process of applying for premises. They commented that it was not clear which properties were available and when.
- Frequently, the buildings on offer were not purpose-built. The cost of making them fit for purpose (if it was possible) and meeting the standards necessary for government registration was high. The schools felt that not

being able to offer certain facilities affected their ability to compete with other schools.

- Between 2000 and 2006, one school (School C) had only ever been offered leases of one year. The current two-year lease was only offered after the school asked Invest Hong Kong to help them negotiate greater security for the school. This lack of commitment had affected the school's ability to maintain and upgrade the premises and to plan for the future.
- Schools were asked to provide a significant deposit to the GPA to cover the possibility that the premises might need to be restored to their previous state. While the deposit was interest bearing, schools would have preferred to use the money for the benefit of the organization.
- In dealing with the GPA's appointed estate agents, it was sometimes difficult to find a mutually satisfactory resolution to simple problems.

Some of the comments and concerns about the tendering process for "dying schools" included the following:

- Very few of the sites available were suitable for the schools and were frequently in the wrong location. For some smaller schools, they were frequently of the wrong size.
- There was intense competition from other international schools. This would appear to be born out by the results of a recent tendering exercise, which schools reported had attracted 17 tenders.
- The criteria for awarding the contract were not clearly stated. One school (School C), which was desperate for premises, said that while some schools were seeking to expand, they were seeking to survive. They hoped that this factor would weigh in their favor but they were not sure.
- The documentation required for the tendering process was time consuming and schools had to provide a lot of information themselves and their plans for the site; however, detailed information about the terms and conditions of the allocation were not available to schools before they applied. Schools thought that this constituted a large investment in a project that they did not know all the future details of.
- One school (School C) questioned the extent to which the process was driven by influence and was confused about why applications should be accompanied by letters of support.

Other issues specific to international schools

In addition to the above points, the schools in the survey also raised several other constraining issues that they felt were peculiar to international schools:

Communicating the need for expansion

- In conversations with the EMB about their need to expand, average class sizes in local schools were often used to judge whether the schools were utilizing their existing space well. The schools commented that they had frequently had to defend their smaller classes and explain that expansion of their facilities was necessary.

Teacher registration

- One school (School F) raised the issue of why it was necessary for newly qualified teachers with relevant qualifications to present complete academic transcripts even going back as far as their secondary school. They also did not understand why teachers with non-local qualifications needed to be issued with a qualifications assessment report from the HKCAA since the school's management and leadership team were familiar with the qualifications.

- Two schools (School B and School F) also found the registration requirements constraining although for different reasons. School B offers a specialized curriculum and needs teachers with specific scholarly skills. The school found that often people were deemed suitable by the school management and leadership teams yet could not fulfill the EMB's criteria for registration. School F pointed out that it was common for overseas primary teachers to be trained to teach Reception (where Reception classes are embedded within primary schools) yet these teachers could not get registration in Hong Kong to teach kindergarten because they do not hold a specialized kindergarten qualification.

Waitlists and demographics

Five schools provided details of their waitlists, which revealed a total of 1,654 students on waitlists or an average of 331 students per school. Particularly high waitlists were observed at Kindergarten/Reception and at certain grades throughout the school, e.g. Grade 6/Year 7. Two primary schools observed that since the ESF secondary schools were increasingly finding it difficult to accommodate the primary students from schools other than the ESF primary schools, this had caused them to expand to middle school education.

The manner in which schools collected their demographic data varied (see results from 11 schools below):

School 1	Total local students (BNO/HKSAR passport holder):	144	(12%)
School 2	Total local students (BNO/HKSAR passport holder):	19	(15%)
	Total US passport holders:	21	(17%)
School 3	Total US passport holders:	1305	(51%)
School 4	Total local students (BNO/HKSAR passport holder):	894	(7.94%)
	Total US passport holders:	1022	(8.05%)
	Total ethnic Chinese:	5,248	(41.35%)
School 5	Total local students (BNO/HKSAR passport holder):	<23	(<5%)
	Total US passport holder:	~55	(~12%)
School 6	Total US passport holders:	308	(22%)
	Total ethnic Chinese:	“vast majority”	
School 7	Total US passport holders:	68	(27%)
	Total native born expatriates:	>225	(>50%)
School 8	Total US passport holders:	630	(70%)
	Total ethnic Chinese:	“vast majority”	
School 9	Total US passport holders:	90	(33%)
	Total native born expatriates:	261	(>95%)
School 10	Total US passport holders:	179	(11%)
	Total returning HK expatriates:	“the majority”	
School 11	Total US passport holders:	68	(9%)
	Total native born expatriates:	“the majority”	

Note: Includes two schools under one category.

Involvement of government departments and agencies

Schools reported involvement with the following government departments and agencies:

1. Education and Manpower Bureau (EMB)
2. Government Property Agency (GPA)
3. Buildings Department
4. Lands Department
5. Planning Department
6. Architectural Services Department
7. Fire Services Department
8. Department of Health
9. Food and Environmental Hygiene Department
10. Transport Department
11. Leisure and Cultural Services Department
12. Water Supplies Department
13. Drainage Services Department
14. Police

All schools had regular contact with the **EMB**. In the majority of cases, the EMB was described as “helpful” and in many instances had mediated with other government departments on the school’s behalf. Many schools were grateful to the EMB officer (Samson Lai) responsible for international schools and readily acknowledged that relationships with the EMB had become more fruitful since he had been in post.

Schools’ relationships with the EMB appeared patchy though. At least two schools felt noticeably less supported than the others. One other school had only found the EMB helpful in a crisis when they approached someone at Deputy Secretary level. They commented that there were no emergency procedures in place to cope with situations such as a school flooding.

Other schools, while acknowledging that the EMB was doing a good job, still found the level of bureaucracy challenging. They talked of “box ticking” and excessive checking of details that they felt fell within the scope of their professional decision making, for example, teacher registration procedures.

A number of schools which had been involved in the EMB tendering for “dying schools” commented that the criteria for selection were not

obvious and that more details about the terms and conditions of the property could have been provided before tenders were invited.

The usefulness of the Regional Education Officer was called into question by one school as it was commented that this person had no authority and frequently changed post.

The **Government Property Agency** was frequently described as “lacking transparency”, especially with regard to the properties that were available. The provision of a series of short-term leases to one school had also led to much worry and concern for the school involved.

Schools involved in building work had all had contact with the **Buildings Department**, the **Planning Department** and the **Architectural Services Department**. Some had also had contact with the **Lands Department**. Few comments were received about the specific workings of these departments. Schools appeared to understand the expected time frames for processes to take place and, although commenting that it was frequently a lengthy process, felt that these deadlines were usually kept to.

The Building Department, the Lands Department, the **Fire Services Department** and the **Department of Health** and the **Food and Environmental Hygiene Department** are all involved in school registration. Inspection procedures usually take 90 days, although one school found that in an emergency, they were prepared to fast-track the process to within a week.

The other departments listed can be consulted at the request of the Planning Department (as happened with one school – School D – when it submitted a development proposal for an area that was zoned green-belt).

Costs

The majority of the schools surveyed commented that pursuing their various expansion plans was extremely time consuming largely due to uncertainties and having to “discover” the best way to do things. Secondary schools/through-train schools usually employed business managers/facilities managers. It was not unusual for these post holders to spend 25–30% of their time on expansion plans.

It was also not unusual for school principals/school managers to report that they also spent a similar amount of time on expansion plans; this was particularly true in kindergarten/primary schools.

One primary school reported that they recruited a part-time project consultant to manage the preparation of an EMB bid for a school site. Another school has spent “considerable man hours” preparing the report

and said that they felt that this constituted a large investment in a project that they did not know all the future details of.

A number of schools commented that although there were no secrets about dealing with government departments and agencies, there were a lot of unknowns and that “being in the know” definitely helped.

One school that had experienced an unsuccessful attempt to build an extra school building outside the footprint of their existing buildings (School D) said that the various consultancy costs (including architects, surveyors, project managers, site managers) had been HK\$2 million.

Section 6

List of Participating schools

Thanks are due to the following for their participation in the study report:

	School name	Contact details	Date and time of meeting	Persons interviewed
1.	Canadian International School of Hong Kong	SamanthaMan@cdnis.edu.hk (Samantha Man organized the meeting.)	05/11/2007 12.30 p.m.	Mr Dave McMasters (Head of School), Mr Len Archer (Business Administrator), Mr Arnold Luntz (Chairman of the Premises Committee), Mr Ho-kin Lee (Premises Committee Member) & Pal Yu (Architect)
2.	Carmel School	eepstein@carmel.edu.hk	05/07/2007 3 p.m.	Mr Edwin Epstein (Head of School)
3.	Chinese International School	tfaunce@cis.edu.hk mvallor@cis.edu.hk	05/07/2007 10 a.m.	Dr Ted Faunce (Headmaster) & Ms Monica Vallor (Business Manager)
4.	Discovery Bay International School	dbis@dbis.edu.hk	05/14/2007 11.15 a.m.	Grant Ramsey (Principal) & Andrew Edwards (Deputy Principal)
5.	English Schools Foundation [#] (ESF Centre)	jstewart@esfcentre.edu.hk cjf@esfcentre.edu.hk	05/17/2007 10 a.m.	John Stewart (Head of Facilities Development) & Chris Forse (Head of Parent & Student Services)
6.	German Swiss International School	jpgreen@gsis.edu.hk hpnaef@gsis.edu.hk Bernard O'Driscoll Facilities Manager bodriscoll@gsis.edu.hk	05/16/2007 11 a.m.	Dr Jens-Peter Green (Principal) & Hans-Peter Naef (Chief Operating Officer)
7.	Hong Kong Academy	kitty.lau@hkacademy.edu.hk (Kitty Lau organized the meeting.)	05/11/2007 10.30 a.m.	Dr Andy Page-Smith (Director) & Ms Anna Wong (Business Operations Manager)
8.	Hong Kong International School	jhandrich@hkis.edu.hk phall@hkis.edu.hk vseehafer@hkis.edu.hk	05/10/2007 2 p.m.	James Handrich (Associate Head of School), Patrick Hall (Director of Facilities Management) & Vicky Seehafer (Director of Admissions)
9.	International Christian School	chun@ics.edu.hk (Noel Chu organized the meeting.)	05/08/2007 3 p.m.	Mr Ben Norton (Headmaster)
10.	International Montessori School	annesawyer@montessori.edu.hk karinann@montessori.edu.hk	05/08/2007 2 p.m.	Anne Sawyer (School Manager), Karin Ann (School Manager) & Jim Park (Vice-Principal)
11.	Kellett School	Tel: 2551 8234	05/31/2007 4 p.m. (by telephone)	Clare Man (School Bursar)

[#] Represents two school facilities.

Appendices

- A. Letter from Jack Maisano, President of AmCham HK, urging members to reply to a questionnaire for assessing how widespread is the problem of international school places shortage, as part of a Business Council on Education project (BCEd). (June 2005)
- B. BCEd Press release (July 22, 2005), announcing the results of the summer survey.
- C. Information paper on “Provision of Places in International Schools” prepared by the Education and Manpower Bureau in December 2005
- D. Letter from Jack Maisano to Financial Secretary Henry Tang in June 2006
- E. Statement by AmCham’s Education Task Force, “A Policy Proposal: International Education for an International City”
- F. Report by Jack Maisano to the AmCham Education Task Force on AmCham’s presentation to the International Business Council on October 23, 2006
- G. International Education: Hong Kong’s Best of the Best (Excerpt from Living in Hong Kong, published by the American Chamber of Commerce in Hong Kong, January 2007, p. 296-298)
- H. Hong Kong’s Competitiveness: A letter to AmCham from a frustrated foreign investor indicative of damage potentially done due to lack of expatriate student school places.
- I. International Schools Report as at July 6, 2007 (produced quarterly for clients only by Colliers International)

Below is the cover note by Jack Maisano that went with AmCham's survey of its members in the summer of 2005 on how widely spread the problem of inadequate international student places in schools was.

Dear Members,

An alarm has been raised by members of several international Chambers of Commerce in Hong Kong, that there are too few international student places in schools here and extremely long waitlists, particularly in the lower primary grades.

To assist those of you whose companies may be facing this problem, we are conducting a joint survey of foreign businesses with several other Chambers. Please urgently reply to this one-page questionnaire, to help us assemble a realistic profile of how widely spread is this problem.

Results will be used to underscore our serious concerns as foreign investors here. Such severe school place shortages can and will hamper our ability to bring into Hong Kong those senior officers of multinational corporations who have families.

There are both short and longer term solutions to this problem already open to government, but to get action we must first raise awareness of this problem's serious extent and its potential for damage to Hong Kong's status as the ideal Asian headquarters location.

If you would like to become more involved in this or other issues regarding schools and the education of the international child in Hong Kong, please feel free to contact our Communications Director, Fred Armentrout directly (farmen@amcham.org.hk).

I urge you to take the few moments necessary to reply to this survey.

Sincerely,

Jack Maisano
President

PRESS RELEASE



1004-5 Wilson House
19 Wyndham Street
Central
Hong Kong
Tel: 2861 1186
Fax: 2865 6462

Friday July 22 2005

The strong rebound of the Hong Kong economy, which has attracted large numbers of international companies to set up or expand operations over the past year, has led to a critical squeeze on school places for the children of expatriate families, according to information gathered by a group of leading business organizations.

Surveys urgently organized over the past three weeks by Invest Hong Kong and seven business organizations have identified waiting lists for around 100 places, most severely focused on Primary 1 and Primary 2 classes, for the academic year due to start in September, with the challenge forecast to become acute over the next two years.

“This is an urgent challenge that is closely linked to the strong rebound of the Hong Kong economy and its increasing attractiveness as a hub for regional business operations,” said David Dodwell, convenor of the Business Coalition on Education, after a meeting of member business organizations today.

The surveys, along with information from Invest Hong Kong, also indicated that the problem is likely to become more severe, with a large number of other large international companies currently finalising plans to set up or expand operations in Hong Kong.

Business leaders attending the Business Coalition on Education meeting called on all international schools to examine their ability to provide emergency accommodation to address immediate waiting lists.

They called on the Government to consider making available existing empty school buildings to provide short-term relief, and at the same time called for support to international schools seeking to expand facilities.

Investigations into the availability of international school places in Hong Kong showed that many international schools had significant waiting lists, with severest problems focused on those schools with a proven track record in placing pupils in universities. Some schools based in Kowloon and the New Territories had places in certain years, but these were not matched with acute demand focused on Hong Kong Island.

It is understood that plans to open six Private Independent Schools (PIS) schools, starting in September 2006, may provide medium-term relief to the present shortage, but it is uncertain how such schools will provide relief for expatriate families.

“This is a challenge not just for the international or expatriate community,” said David Dodwell: “Over the past decade, international schools and the English Schools Foundation (ESF) have become part of the spectrum of choice for local families seeking quality education, tuition in the English medium, and with an international curriculum.

“Solutions are urgently needed for the international business community, but it is very important these solutions do not come at the expense of the many thousands of local families that have children at international schools or in the ESF,” he added.

Members of the Business Coalition plan to meet urgently with Government officials to discuss the findings of their research, and to discuss solutions to the immediate crisis, as well as medium and long term solutions.

The Business Coalition on Education (BCEd) is a grouping of chambers of commerce and other business associations who share an interest in and a common desire to contribute towards the development of quality education in Hong Kong. It is a forum where concerned members of the business community meet to share views, ideas and information on education, as it affects business and the workplace.

For further information, contact:

David Dodwell, Business Coalition on Education on tel: 9238-2389

Organisations included in the BCEd are:

American Chamber of Commerce in Hong Kong
Australian Chamber of Commerce
British Chamber of Commerce, Hong Kong
Belgium-Luxemburg Chamber of Commerce
Danish Chamber of Commerce
Dutch Business Association
Employers' Federation of Hong Kong
Federation of Hong Kong Industries
Finnish Business Council
French Chamber of Commerce and Industry in Hong Kong
German Chamber of Commerce, Hong Kong
Hong Kong General Chamber of Commerce
Hong Kong Institute of Human Resource Management
Indian Chamber of Commerce Hong Kong
International Chamber of Commerce
Irish Business Forum
Italian Chamber of Commerce in Hong Kong
New Zealand Chamber of Commerce Hong Kong
Norwegian Chamber of Commerce Hong Kong
Spanish Chamber of Commerce Hong Kong
Swedish Chamber of Commerce Hong Kong
The Canadian Chamber of Commerce
The Chinese Manufacturer's Association
The Hong Kong Austrian Association
The Israeli Chamber of Commerce in Hong Kong
Vision 2047 Foundation

For Information

LEGISLATIVE COUNCIL PANEL ON EDUCATION

Provision of Places in International Schools

PURPOSE

This paper provides information on the provision of places and the enrolment situation in our international schools.

BACKGROUND

2. Hong Kong operates a highly diversified education system. As far as international education is concerned, the demand for such services has traditionally been met by “international schools” which 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.

3. The Administration supports the development of a vibrant international school sector to underpin our aspiration to be Asia’s World City and an education hub for the Region. To this end, we have provided various forms of assistance including land grant, interest-free loan for school building, and nominal rent for the leasing of government premises. At present, we have 56 international schools in Hong Kong offering curricula of the United Kingdom, the United States, Australia, Canada, Japan, Korea, Germany, France, Singapore and the International Baccalaureate Organization.

THE CURRENT PROVISION

4. The Administration conducts annual surveys on the provision of international school places and the actual enrolment. Through these annual surveys, we also gather information on students’ nationalities. In the 2004/05 school year, the international school sector as a whole offered a total of about 34,000 primary and secondary school places. The enrolment of the year was about 29,000 students spreading across 55

nationalities. About 14% of the students are “local children”, who are defined for the purpose of the annual surveys to mean those not holding any foreign passports. The relevant statistics in the past three school years are set out at the **Annex**.

5. The survey for the 2005/06 school year is underway. While the majority of the international schools have already responded, the returns from a few schools are either outstanding or incomplete. With the benefits from the responses received so far (which should have covered over 90% of the provision of places in the international school sector) and information from other sources, our preliminary observations on the provision situation are as follows –

- (a) For the sector as a whole, there are vacancies for all levels of studies with an average in the region of 500 places for each primary grade and 310 places for each secondary grade. Even if we are to focus just on the vacant places in the more “popular” schools, i.e. schools with an occupancy rate over 90%, the overall vacancy for each grade ranges from some 30 to 80 places at the primary level and from some 10 to 180 places at the secondary level;
- (b) At the school level, the average occupancy rates for the primary schools and secondary schools stand at 84.4% and 85.7% respectively; and
- (c) International schools are open to local children. For example, as revealed in a survey conducted by the English Schools Foundation, which is the biggest international education service provider in Hong Kong, about 40% of its students come from Chinese-speaking families¹. Based on returns received so far, the percentage of students who do not hold any foreign passports stand at around 15.7% at primary levels and 11.6% at secondary levels. It should be noted, however, that the figures have not yet reflected the cases of those local, Chinese-speaking students who have acquired foreign nationalities.

¹ Source: <<http://www.esf.edu.hk/download/parents/Data%20on%20ESF%20Students.pdf>> – (Last visited on 30 November 2005).

WAY FORWARD

6. Following the recovery of the local economy, the business sector and the expatriate community have expressed concerns about the adequacy of international school places. While our 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. Although the latest survey results do not suggest any saturation or shortfall in supply, we will continue to liaise with the interested parties to assess the potential demand and take necessary measures to expand the capacity of the international school sector.

7. We are trying to ensure an adequate supply of school places for meeting the needs of the expatriate community from different fronts –

- (a) Without prejudice to a proper student mix in the international school sector, we will continue to encourage international schools to review their admission policy, giving appropriate priority to those who could not otherwise receive education in the local system;
- (b) Since figures show aggregate surplus at school level, international schools may explore the scope for re-organising classes to meet the shortfall in specific grades;
- (c) We are exploring with relevant departments the feasibility of allocating suitable vacant school premises to private school operators for the operation of international schools;
- (d) We will suitably open up the local school sector to the expatriate community so as to provide them with more choices and to encourage cultural integration. Specially, with their operational autonomy in terms of medium of instruction and curriculum design, individual schools under the Direct Subsidy Scheme and the Private Independent School (PIS) Scheme may complement the international school sector. Indeed, some of them have already been admitting students from the expatriate community, and at least six of the PISs under planning / in operation have devised firm plans to offer non-local curricula. Meanwhile, individual local schools offering the local curriculum and adopting English as the medium of instruction have also

indicated their readiness to admit a restricted number of expatriate students who wish to immerse in the local culture. The Administration will support these schools in offering a second or third language option for these students; and

- (e) Should individual families encounter problems, we will continue to offer placement services.

**Education and Manpower Bureau
December 2005**

Annex

Statistics Relating to the Provision of School Places in International Schools

School Year	Primary School				Secondary School				Overall			
	Number of Places	Total Enrolment	Occupancy Rate (%)	Local Students (%)	Number of Places	Total Enrolment	Occupancy Rate (%)	Local Students (%)	Number of Places	Total Enrolment	Occupancy Rate (%)	Local Students (%)
2002/03	18256	16038	87.9%	13.99%	13818	11842	85.7%	11.75%	32074	27880	86.9%	13.03%
2003/04	18347	16050	87.5%	14.65%	14235	12069	84.8%	12.30%	32582	28119	86.3%	13.64%
2004/05	19371	16741	86.4%	15.71%	14604	12717	87.1%	11.81%	33975	29458	86.7%	14.01%

Note: “Local students” refer to those students not holding any foreign passports.

June 28, 2006

The Honorable Henry Tang, GBS, JP
Financial Secretary
The Hong Kong SAR Government
12/F, Central Government Offices, West Wing
Lower Albert Road
Central, Hong Kong

Dear Henry,

Following our discussion on May 18, 2006, our members gathered with a number of school representatives to see how we can work with Government on issues relating to the shortage of international school places in Hong Kong.

AmCham seeks to continue dialogue with you through the enclosed document, which contains our views and recommendations on how to address this important matter. The shortage of school places affects not only the schools. The impact is also felt within the business community.

The Chamber and the schools thus share a vested interest in this issue and we look forward to working with you and your colleagues on creating a solution.

Yours sincerely,

Encl.

Cc: Mr. Steve Marcopoto, AmCham Chairman
Mr. Jeffrey Blount, AmCham Government Relations Committee Chairman

Appendix E

Education Task Force Statement

A Policy Proposal: International Education for an International City

One of the more significant and cosmopolitan aspects of Hong Kong's quality of life as a world city is the depth of its commitment towards International Schools.

Since the mid 1960's, Hong Kong's government has encouraged creation of such schools to keep pace with its liberal work visa policies for foreign companies. The impressive results for Hong Kong, and for the young people educated in its International Schools, have been one of its longstanding hallmarks.

Good results for Hong Kong are measured in part by the number of foreign Asian corporate headquarters and regional representative offices here, made possible by having enough school places for the children of foreign executives. For instance, a recent InvestHK report notes an increase from 262 to 295 US regional headquarters here, with another 594 US regional offices as well.

Such results are also measured by the number of Hong Kong-born children who have attended these schools and gained superior educations that prepared them for attendance at the world's premier universities, including some children from three generations of government civil servants.

Today, there are over thirty International Schools in Hong Kong, including some of the best primary and secondary schools in the world at preparing students for university education. Within those schools are some of the world's best-performing students in academics, the arts and sports; and in their commitment to community service here, in China and throughout Asia. This is one of Hong Kong's greatest modern achievements, and one of its most unheralded.

Only such a cosmopolitan school system could have coped with the flood of returning Chinese, whose children had begun education in English-speaking countries in the 1980s and 90s, with no means to cope with a Chinese-stream education in Hong Kong upon their return. Those children (and in turn their children) comprise much of the population of today's International Schools.

The magnet of International Schools has helped property developers draw corporate executives to neighborhoods like the South Shore of Hong Kong Island, increasing the values of their holdings by the schools' presence and ease of access for residents' children.

International Schools are woven into the fabric of Hong Kong's internationalism. They provide enormous scope as teaching models for local schools in their pursuit of new ideas. They give Hong Kong an opportunity to set an example of how a service economy

can attract and retain global executive talent, and grow its own by means of formally supporting high standards and an internationalized educational atmosphere.

What is now needed are more International School places in Hong Kong and more qualified local candidates to share school places with their expatriate counterparts. That can only be driven by a formal government policy of support for the expansion of international education as a matter of vital importance to Hong Kong's continued competitiveness on the world stage.

We urge the Hong Kong Government to embrace the expansion of International School places as an extremely high priority for Hong Kong's continued competitive positioning as a 'World City'. Clear policy goals and statements that reflect the importance of such schools must now be set, for the benefit of both international and local communities of parents and students in Hong Kong.

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Appendix F

REPORT TO THE AMCHAM EDUCATION TASK FORCE ON AMCHAM'S PRESENTATION TO THE INTERNATIONAL BUSINESS COUNCIL ON 23/10/2006

Steve Marcopoto presented the paper on international education composed by the AmCham Education Task Force to the full IBC membership at a meeting on October 23, 2006 chaired by Chief Secretary Rafael Hui.

Present was Deputy Commissioner for Education Bernadette Linn.

Steve went through the points in the paper and concluded with an appeal to IBC members' recognition that they all get calls to help their newly arrived members get school places, and that helping them is getting increasingly difficult.

Bernadette indicated that the government is working on creating more places on three fronts:

One, they are trying to make new land available, such as the site on Qing Yi Island that has recently been taken up by an international school, and also to make vacated premises available to existing schools.

Two, they are trying to accommodate "in situ" expansion at existing schools, working through the system to allow new construction at existing sites, with one school recently granted permission to build.

Three, they are trying to promote "Private Independent Schools," with two having been completed recently in new areas and a goal for nine in all. These schools will be required to accept international students.

There was an agreement by all that part of the challenge is the fact that international schools are attractive to local students, thereby reducing the number of places for incoming foreign nationals.

The Chief Secretary said that the government has had a clear commitment to international education for over 25 years. Meeting the challenges is a question of making progress in the right way, in light of obstacles (in the form of town planning, etc).

He confirmed that the government "will continue to facilitate future expansion for international schools, but caution[ed] against making this a high profile issue, since that would not be helpful in light of the needs at the tertiary level to take in more Mainland students." The government would "stick to the program of using vacant premises or accommodating in situ expansion, since [they] are fully aware of the issue, and they would hope for more expansion approvals next year. [They] would also open new areas for international schools to start up," referring to Qing Yi Island, which he described as "out of the way, but having a great view."

Appendix F

David Dodwell of the Business Coalition on Education said that there were several issues:

One, the lack of international school places overall.

Two, the wide attraction of an international style of education in Hong Kong.

Three, location mismatches, in that the population most in need reside where land is most scarce.

Four, entry-level (primary through sixth grade) bottlenecks.

Five, the fact that international schools – uniquely in this part of the world – are a part of the Hong Kong community, not just for foreign nationals but for returning Hong Kong-born residents and local families as well.

The Chief Secretary reiterated that Hong Kong “wants to be an educational hub. We want to broaden our offerings. And we need more resources and a different approach to resolving issues.”

He said this was an issue that the IBC had revisited many times in the past and would no doubt continue to review in the future.

The Chief Secretary also made reference to the exchange this past summer between AmCham and the Financial Secretary on this issue, indicating that the Financial Secretary’s letter was the official position of the government.

There was a full and fair discussion for about 20 minutes or more, and I believe the point was made that the international community is facing an urgent and growing problem in placing the children of newly arrived families in appropriate international schools.

Jack Maisano
October 25, 2006

International Education: Hong Kong's Best of the Best

by Fred Armentrout

We looked at results of five English-stream school systems in Hong Kong: Chinese International School (CIS), English Schools Foundation with five secondary schools (ESF), German Swiss International School (GSIS) International Christian School (ICS) and Hong Kong International School (HKIS). The first offers an International Baccalaureate, the last two an American curriculum and the others curricula based on the UK system (IGCSE and A-levels tests), modified for an Asian context.



Secondary school exam results and college acceptances are only two measures of a school's success and only indirectly reflect the contribution of a sound primary education that precedes them, and comparisons with other nations, such as UK and US elite private school average test scores, often fail to account for unique circumstances in locations and cultural contexts. Despite that, they do give objective measures of excellence and demonstrate that these eight secondary schools outperform most schools in the world and most of the elite schools in the originating

nations of their various curricula. Hong Kong makes rightful claim to offer the 'best of the best' of international educations. This year's test results saw the best ever figures for Hong Kong International schools compared to the world's top scores. Here's why:

• CIS

In the past four years, over 98% of CIS students received full IB Diplomas and almost 40% of those were Bilingual Diplomas. Its average point score for all subjects in 2005 was 36, placing it amongst the world's best IB schools and its students' subject score averages exceeded world averages in 16 of 18 subjects in higher level and all 18 subjects at standard level. In recent years, 40-45% of CIS graduates have gone on to leading universities in the US (24 schools including Wellesley, Brown, Stanford, MIT, Princeton, Northwestern, Tufts, NYU, et al), UK (16 schools including Edinburgh, Cambridge, London School of Economics, King's College, Oxford, St Martin's College of Art and Design, et al), Canada, Australia, Switzerland, Japan.

• ESF

Remarkably, its five schools equaled the top 10% of the 1998 UK Examination League Category One, the equals of Harrow, the Arnold School and Plymouth School for Girls, et al and all of the 117 UK schools in the League are selective, none of the ESF five is so. In this year's GCSE grades, ESF schools had as twice as many A* – A grades as UK schools. In UK, only



70.2% of all students achieved 5 or more subjects at grades A* – C. ESF schools achieved 92.5% ESF students with an A* – C in all three core subjects (English, Math, Science), almost double the UK figure. On 'A' Levels, UK students can expect to achieve an average grade between D and C, the ESF average is just below a B overall.

Finally, of 97 UK universities which made known the average total points score their departments demand, if they are to accept a student, 58 reported lower entry requirements than the ESF average-meaning an 'average' ESF student can expect easy acceptance by some 60% of all UK universities. Two students from their school, Connie Leung, of Shatin College and Fiona Murray of the Island School, respectively, topped the world score in Coordinated Science and topped the world score in English Literature.

• GSIS

German Swiss has an anecdotal reputation amongst parents as the most academically rigorous English Stream school in Hong Kong. Its GCSE/IGCSE test pass scores of A* – C have typically outpaced the UK average figure by over 40% for the past nine years. This year figures are even more astounding, for instance an A* grade average of 47% vs UK's 6.3% a

year, or the A* or A category average of 74.4% vs UK's 19.1%. In a school of such achievers, it is no surprise its graduate, Garnet Chan, was the youngest ever fellow at Cambridge or that Jane Wong, a 1998 graduate, could choose to turn down Cambridge to attend Stanford, or that alumna Denise Tran graduated at the top of her class at Cornell and, when asked to nominate an educator who'd had the greatest impact on her academic life for the Merrill 'Star' Award, chose the GSIS then Head of English, Mrs White, who was flown to the US to receive a scholarship in her name for a student from Southeast Asia. Hugh Kam, a 2004 graduate was offered full scholarship at Cambridge. In 2004 a Form 5 student topped the world's GCSE test result in Economics and in 2005 a Form 4 student, Stephanie Poon, sat the test one year early, following an accelerated program, and topped the world's score in Math. This year, a Year 11 student, Charmaine Li, following the accelerated program, achieved the highest score in Math in Hong Kong without coursework.

Four GSIS students who took the GCSE/IGCSE in 2005 were ranked the 'top of the field' in Hong Kong with three of them highest in four subjects: Biology, Chemistry, History and Physics.

As with all of these schools, GSIS students regularly get places at top US, UK and other national universities, Cambridge, Oxford and Imperial in UK. Duke, Brown, Yale, Stanford and U Penn's Wharton, et al in the US routinely accept GSIS students.

These are not the only superior schools in Hong Kong. For instance, two French International School (FIS) students topped



scores in Hong Kong in French and Geography in 2005. Also see entry on International Baccalaureate for more outstanding results.

- **HKIS**

Class of '04 Standardized Achievement Test (SAT) mean scores in Math were 638 and Verbal were 569, versus a US national mean score average of 518 and 508, respectively. Of '04 school year students who took Advanced

Placement(AP) Tests, 216 scored a 3 or above on a 5-point scale. HKIS '04 students attended over 85 US universities, including Barnard, MIT, IIT, Rensselaer, Cornell, Duke, Tufts, NYU, etal and schools in six other countries (Australia, New Zealand, Canada, Japan, Korea, UK). Class of 2004 had four commended students for 'National Merit Scholarship,' and had a total of 112 AP scholars, 39 of which have distinction and 32 with honors.

Hong Kong's Competitiveness

June 4, 2007

Dear Mr. Maisano,

I am writing to seek help in removing a barrier to my moving our company's Asia headquarters to Hong Kong. This roadblock is the availability of children's schooling in Hong Kong for ***American citizens working for US based companies.***

Cypress Semiconductor is a \$1B USD semiconductor company based in San Jose, California USA founded in 1982, with stock symbol (CY) listed in NYSE (www.cypress.com). The Asia Pacific region constitutes over 50% of Cypress' worldwide sales revenue. This regional HQ was in Singapore until 2006 when I moved it to Hong Kong. My reasoning was simple – Hong Kong is within 4 hours direct flights to most cities in my territory - in Taiwan, China, Korea and ASEAN. It also has a pool of talented professionals in Engineering, Marketing, Sales, Legal, and Finance. I was an advocate within our company to maintain its headquarter in Hong Kong, instead of Singapore or Shanghai.

So far, things have worked out to support my original decision, except for my children's education. ***My children have been waiting to get into Hong Kong International School (HKIS) for over one year.*** Although HKIS acknowledged my two children, Michele and Ryan, have met all of the necessary qualifications for admission, they were on wait list for all of school year 2006-2007 and eventually could not get in. Michele and Ryan are again on an active wait list for academic year 2007 to 2008 for grade 8 and grade 7 respectively. The feedback from HKIS so far has not been positive.

In the mean time, we enrolled our children at the American School in Guangzhou (AISG) since we wanted our children to have an American education. Our hope last year was they could enter HKIS in the second semester when existing students withdrew. We did not realize how challenging it has become, splitting our families apart (my wife and children in Guangzhou, and I in HK); maintaining two separate households and commuting back and forth between Guangzhou and Hong Kong, while traveling within Asia. I will spare you the details but suffice to say it is not a sustainable situation for much longer.

On the other hand, our business continues to prosper in Asia. I would like to extend the scope of Cypress presence in Hong Kong, and get advanced research and development work done here, in addition to Sales and Marketing. These R&D projects include eBike (a bicycle with 3 phases DC motor control with a maximum speed of 40 km/hr and little pollution); motor control solutions (DC Brush motor, Stepper motor, AC Induction motor, Brushless DC motor) for power tools and home appliances such as air conditioners, refrigerators; and high brightness LED lighting solutions. In fact, our application to relocate our Asia Pacific and R&D headquarters to the Hong Kong Science and Technology Park has just been accepted. ***But if I cannot get peace of mind in my children's education, I may have to move our Asia headquarter back to Singapore or to Shanghai.***

I am sharing my frustration with you in the hope you can offer me some suggestion. I look forward to your constructive feedback. Please feel free to call me at 852-2420-2568 office or 852-90162733 mobile.

Yours Sincerely,

Paul Chu
Vice President,
Asia Pacific Sales and Operations,
Cypress Semiconductor

International Schools Report

(As at 6 July 2007)



Company Licence: C-006069

* Please note that different schools might have different age groups for each grade. Please check with us or contact the schools directly.

School	Pre-School / Primary / Secondary	Admission Situation													Debuture					Priority	Curriculum	Student Population	Application Fee	Entrance Test	School Tour Schedule							
		Pre-School			Primary & Secondary Schools (Grade)										Corporate	Individual	Refundable	Transferable	Guaranteed Space													
		1	2	3	1	2	3	4	5	6	7	8	9	10	11	12	13															
Hong Kong International School	Primary																	\$500,000	\$500,000	100%	No	No	Debuture Holder	American	International	\$1,500	Yes	Every Mon and Wed				
Hong Kong International School	Secondary																	\$500,000	\$500,000	100%	No	No	Debuture Holder	American	International	\$1,500	Yes	Every Tue and Thur				
Hong Kong Japanese School	Primary																	X	X	X	X	X	Japanese Speaker	Japanese	99% Japanese	\$4,000	No	Upon request				
Hong Kong Japanese School	Secondary																	X	X	X	X	X	Japanese Speaker	IB	99% Japanese	\$4,000	No	Upon request				
Hong Lok Yuen Intl School	Primary																	X	X	X	X	X	School Report, Native English Speaker	British	International	\$1,000	Yes	Upon request				
Independent Schools Foundation Academy	Primary																	\$200,000	\$200,000	No	Yes	X	First Come First Served	Own Curriculum	International	\$1,000	Yes	Upon request				
Independent Schools Foundation Academy	Secondary																	\$200,000	\$200,000	No	Yes	X	First Come First Served	IB	International	\$1,000	Yes	Upon request				
International Montessori School	Pre-School																	X	X	X	X	X	With Montessori background	Montessori	International	\$1,000	No	Twice a month, week day at 10 am				
International Montessori School	Primary																	X	X	X	X	X	With Montessori background	Montessori	International	\$1,000	No	Twice a month, week day at 10 am				
Kellett School	Pre-School																	\$300,000 (Sold Out)	\$60,000		No	No	Corp Debuture Holder	British	30% American; 50% British	\$2,000	No	Every Tue, Wed, Thur at 10:45 am				
Kellett School	Primary																	\$300,000 (Sold Out)	\$60,000		No	No	Corp Debuture Holder	British	30% American; 50% British	\$2,000	No	Every Tue, Wed, Thur at 10:45 am				
Korean International School	Pre-School																	X	X	X	X	X	First Come First Served	Korean / British	60% Korean; 30% Local	\$1,000	No	Upon request				
Korean International School	Primary																	X	X	X	X	X	First Come First Served	Korean / British	60% Korean; 30% Local	\$1,000	No	Upon request				
Korean International School	Secondary																	X	X	X	X	X	First Come First Served	Korean / British	60% Korean; 30% Local	\$1,000	No	Upon request				
Montessori For Children	Pre-School																	X	X	X	X	X	First Come First Served	Montessori	International	\$500	No	Twice a day, 9:30 am & 2:30 pm				
Parkview International Pre-School	Pre-School																	pm	pm	pm				British / Montessori	International	\$1,050	No	Upon request				
Singapore International School	Primary																	\$100,000	\$60,000	Yes	To sibling only	No	First Come First Served	Singaporean	70% Asian	\$2,000	Yes	Upon request				
St. Teresa's Kindergarten	Pre-School																	X	X	X	X	X	First Come First Served	British	International	\$1,000	No	Upon request				
Sunshine House (Redhill)	Pre-School																	X	X	X	X	X	First Come First Served	British	International	Free	No	Upon request				
Sunshine House (Discovery Bay)	Pre-School																	X	X	X	X	X	First Come First Served	British	International	Free	No	Upon request				
Sunshine House (Tung Chung)	Pre-School																	X	X	X	X	X	First Come First Served	British	International	Free	No	Upon request				
Sunshine House (Peak)	Pre-School																	X	X	X	X	X	First Come First Served	British	International	Free	No	Upon request				
Sunshine House (Pokfulam)	Pre-School																	X	X	X	X	X	First Come First Served	British	International	Free	No	Upon request				
Sunshine House (Chi Fu)	Pre-School																	X	X	X	X	X	First Come First Served	British	International	Free	No	Upon request				
Starters Schools (Causeway Bay)	Pre-School																	X	X	X	X	X	First Come First Served	British	International	\$400	No	Upon request				
Starters Schools (Wanchai)	Pre-School																	X	X	X	X	X	First Come First Served	British	International	\$400	No	Upon request				
Woodland Happy Valley Pre-School	Pre-School																	pm	pm				First Come First Served	British	International	\$500	No	Upon request				
Woodland Montessori Pre-School (Mid-Levels)	Pre-School																	X	X	X	X	X	First Come First Served	Montessori	International	\$500	No	Upon request				
Woodland Montessori Pre-School (Repulse Bay)	Pre-School																	X	X	X	X	X	First Come First Served	Montessori	International	\$500	No	Upon request				
Woodland Montessori Pre-School (Tai Tam)	Pre-School																	X	X	X	X	X	First Come First Served	Montessori	International	\$500	No	Upon request				
Woodland Pokfulam Panda Pre-School	Pre-School																	X	X	X	X	X	First Come First Served	British	International	\$500	No	Upon request				
Woodland Repulse Bay Pre-School	Pre-School																	X	X	X	X	X	First Come First Served	British	International	\$500	No	Upon request				
Woodland The Peak Pre-School	Pre-School																	X	X	X	X	X	First Come First Served	British	International	\$500	No	Upon request				
Woodland Wanchai Pre-School	Pre-School																	X	X	X	X	X	First Come First Served	British	International	\$500	No	Upon request				
Woodland Wanchai Pre-School	Primary																	X	X	X	X	X	First Come First Served	British	International	\$500	No	Upon request				

(For Reference Only)

Available
Full

Remarks:

All ESF Schools - Pre-School (2 yrs): Enrolment from 3 yrs old ; Primary School (6 yrs): Enrolment from 5 yrs old; Secondary School (7 yrs): Enrolment from 11 yrs old
 All Woodland Pre-Schools (2 yrs) - Enrolment from 2 yrs 8 mths old
 Chinese Intl School - Pre-School (1 yr): Enrolment from 4 yrs old
 Della School of Canada - Pre-School (2 yrs): Enrolment from 4 yrs old
 French Intl School - Pre-School (1 yr): Enrolment from 4 yrs old
 German Swiss Intl School - Pre-School (2 yrs): Enrolment from 3 yrs old
 Hong Kong Intl School - Pre-School (2 yrs): Enrolment from 4 yrs old
 Kellett School - Pre-School (1 yr): Enrolment from 4 yrs old
 X - No Debuture for sale. Therefore, not applicable for refund & transfer.



The American Chamber of Commerce in Hong Kong is one of the largest American Chambers outside the United States, the largest international chamber in Hong Kong and the most dynamic and influential international business organization in the Asia-Pacific region. Promoting US-China trade and Hong Kong as a premier international business center has been our 'business' for over 35 years.

Mission

To foster commerce among the United States of America, Hong Kong and Mainland China, and enhance Hong Kong's stature as an international business center.

Core Values

- Private Enterprise
- Free Trade
- Rule of Law
- Ethical and Responsible Business Practices
- Transparency and the Free Flow of Information

Objectives

- To represent our diverse membership on issues of common interest
- To provide a forum for networking and access to information
- To serve as a trusted and influential advocate with governments
- To encourage civic-minded participation in the Hong Kong community
- To promote the Chamber's core values.

Annual AmCham Surveys

Business Outlook Survey:

An 18-year-old annual survey by AmCham that quantifies business sentiments on Hong Kong's role in the region and as a gateway in doing business in Mainland China.

Environment Survey:

An AmCham survey started in 2006 that seeks to quantify the potential business impact of Hong Kong's deteriorating natural environment.

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