

Executive Summary

Introduction

The Social Welfare Department (“SWD”) has commissioned The University of Hong Kong to conduct a consultancy study on the long-term development of child care services in Hong Kong. In order to improve on the quality and provision of these services, this study aims to review and evaluate the overall provisions of the current six types of day child care services in Hong Kong, namely standalone Child Care Centres (“CCCs”), Child Care Centres attached to Kindergartens (“CCCs attached to KGs”), Occasional Child Care Service (“OCCS”), Extended Hours Service (“EHS”), Mutual Help Child Care Centres (“MHCCCs”) and Neighbourhood Support Child Care Project (“NSCCP”), and provide recommendations on the future planning and various aspects.

This study encompasses a variety of data collection methodologies. In-depth literature research was conducted to review the current philosophy and policy objectives of child care services in Hong Kong as well as in six international jurisdictions. In addition, data regarding the provision of day child care services were compiled through comprehensive stocktaking and analysis, and geographical information system was used for the data analyses. Furthermore, opinions were gathered through interviews with 106 stakeholders and by distribution of questionnaires to child care services users and non-users.

The philosophy and objectives of child care services in Hong Kong, comparing the situation in Hong Kong with the other six jurisdictions

Hong Kong’s current philosophy and objectives in child care services were developed decades ago and guided by the 1991 White Paper which was primarily care-oriented and welfare-based in providing assistance to children from disadvantaged backgrounds. Meanwhile, changes in the socio-economic and demographic profiles, e.g. more women participating in the labour force and the increase of single-parent families in Hong Kong, demonstrated that despite efforts made over the years by the Government to help families in need, the current child care services still cannot meet the demands arising from these changes. At the same time, at the international level, catapulted by the advances in the understandings of early brain and early childhood development, policies on Early Childhood Education and Care (“ECEC”) have moved from two separate systems, ‘care’ and ‘education’, towards one unified system to provide both education and high-quality care to help young children develop holistically. However, researches also showed that parental care and bonding is the foundation of a child’s development and that all early experiences are educational, no matter whether the child is at home, with extended families and friends, or in child care centres.

Different policies and aspects of ECEC in the six jurisdictions were measured and compared with Hong Kong. Owing to their different welfare regimes and objectives in child care, it was discovered that:

- On universal child care, defined as child care benefit provided for every child regardless of background, four of the seven jurisdictions reviewed have some kind of universal child care. One has plans to implement universal child care in the future; another is similar to Hong Kong, which uses the means-test and targets families in need. Hong Kong, however, adopts the approach of targeting low-income families together with social needs;
- On the expenditure of pre-primary education and services, Hong Kong has one of the lowest expenditure among the seven jurisdictions as a percentage of GDP and as a percentage of known government spending;
- On the qualified staff-to-child ratio, although one jurisdiction has no regulation, taking into account the typical ratio in practice, Hong Kong has the highest staff-to-child ratio, and it can be up to 2 or 3 times higher than certain jurisdictions for children aged 24 to 36 months;
- On regulatory and monitoring system, two of the seven jurisdictions studied have a unitary system. Similar to the other four, Hong Kong has two distinct ordinances and regulatory systems overseeing pre-primary care and education;
- On the qualification of child care staff in child care centres, while Hong Kong is comparable to certain jurisdictions, when compared with the jurisdictions such as Finland and Sweden which have the highest level of qualification requirement in this study, there is still room for improvement. Regarding home carers, unlike other jurisdictions such as Sweden and Singapore, Hong Kong has no education and training requirements; and
- On tax rate, among all the seven jurisdictions, Hong Kong has the lowest rate at 15%, while the tax rates in the other six jurisdictions range from 20% to 57%.

Analysing the current child care services in terms of availability, accessibility and affordability

With the comprehensive stocktaking, analyses of the current child care services show that there are differences between the general profile of government-subsidised and non-government-subsidised services. In terms of:

- **Availability** - The demand for government-subsidised places is relatively more intense than non-government-subsidised places for children aged 0 to under 3. The availability of government-subsidised places for children aged 0 to under 2 is significantly fewer than the availability for children aged 2 to under 3. There are also some spatial differences in the profile of child care services which can be identified from the maps with relatively higher and lower provision. At the level of the 18-districts, the demand-to-supply ratio indicates

that in some districts, there is no provision of standalone CCCs for children aged 0 to under 2.

- **Accessibility** - At the level of smaller areas, children who live in some street blocks are facing problems accessing child care centres. In some street blocks in the New Territories, the distance to the nearest centre is significantly farther than the overall Hong Kong situation. Furthermore, the demand for places is much higher in the New Territories than in the overall Hong Kong situation.
- **Affordability** - There are also spatial variations in affordability, calculated as the median monthly child care service fee divided by the median monthly household income and expressed in percentage (%). For the aided child care centre services, the median affordability of the lowest affordable group is 39% and that of the highest affordable group is 3%, accounting for a difference of 36%.

Estimating the demand for child care services and planning ratio

- Upon examination of the questionnaires, the analyses show that from the sample of households which were using/not using child care services, it was identified that the major reasons affecting the decision of using the services include parental employment status, household composition, locations of the service centres and the quality of the services, whereas the lack of information on the availability of services is a major reason for not using the services.
- Based on the prediction models, built upon logistic regression analyses, that consider the characteristics of the household socio-economic status and composition, and the census population data, it was estimated that the demand for child care services in 2016 would be 32 736 for children aged under 2 and 36 568 for children aged 2 to under 3; and according to the population projection data from the Census and Statistics Department, the demand for child care services in 2021 to 2031 for children aged under 2 was estimated to range from 27 711 to 32 818, and from 30 955 to 36 660 for children aged 2 to under 3. It is also important to note that these estimates represent the demand for child care services as a whole irrespective of the types of services, service nature and financing modes.
- Scenario analyses were also conducted to further estimate the number of places needed for aided centre-based child care services. First, assuming that the Government becomes a single provider (i.e. responsible for 100% of child care services), in the centre-based child care service, it needs to provide 31 099 places for children aged under 2 and 36 335 places for children aged 2 to under 3 in 2016 - the corresponding planning ratio would thus be 85 and 99 per 20 000 general population, respectively. On the other hand, assuming that the public and the private split the market provision at the existing proportion,

the Government is then expected to provide 16 628 places for children aged under 2 and 7 557 places for children aged 2 to under 3 in 2016, and the corresponding planning ratio would be 45 and 21 per 20 000 general population respectively. Still, if a further approach is taken with the assumption that the existing number of non-aided centre-based places remains the same, the Government is expected to provide 30 247 places for children aged under 2 and 13 492 places for children aged 2 to under 3 in 2016, and the corresponding ratio would be 82 and 37 per 20 000 general population.

Given that the private market shows relatively less interest in the market provision of child care services for children aged under 2, it is believed that the Government should play a greater role in service provision for this age group, i.e. in providing 30 247 places or a planning ratio of 82 per 20 000 general population. On the other hand, for the service provision for children aged 2 to under 3, private market shows relatively greater interest. With a principle of not driving out other providers in market participation, the Government could take a more balanced approach in their service planning mechanism, i.e. in providing 7 557 places or a planning ratio of 21 per 20 000 general population. Thus, overall speaking, for children aged under 3, the Government is recommended to adopt a planning ratio of 103 places per 20 000 general population (i.e. 82 places per 20 000 general population for children aged under 2, plus 21 places per 20 000 general population for children aged 2 to under 3).

Views from the stakeholders

Focus group interviews were conducted and opinions were collected from different stakeholders, such as, government representatives, service providers involving the management and frontline staff, service users, non-service users and the general public. The purpose is to understand their comments, views and discrepancies between the parents' expectations and the existing services in terms of service modes and financing modes.

The eight themes generated from those interviews are as follows:

- Discrepancies exist between the parents' expectations and the existing services;
- Even with similar qualifications, child care workers are not receiving the same remunerations as their counterparts in the kindergartens;
- There were requests for a lower staff-to-child ratio and better staff training and development;
- The location, service targets and accessibility should be considered in service planning;
- Service positioning and operation of MHCCCs and NSCCP need to be enhanced respectively;
- The positioning of OCCS need to be reviewed;
- Analysis on the reasons for not using day child care services; and

- Analysis on the role of the Government vis-à-vis the private market in the provision of day child care services.

The findings shed light on the future development of the service modes and financing modes of child care services. It was confirmed that there were gaps in the current child care services. These gaps were suggested to be bridged by improving the planning mechanism, the service availability, accessibility and affordability of the overall child care services. In addition, a more diversified subsidy mechanism was suggested to enhance the affordability of child care services, while as a longer term measure, user's income-based co-payment methods might be explored with the collection of more data and analyses.

Recommendations and conclusion

It is common knowledge that children need good care to thrive, and to ensure that children receive quality care is of key concern to both parents and policy makers. In ensuring that their children receive the best care, some parents make the decision to put aside their careers and stay at home to care for their children, others rely on relatives or foreign domestic helpers, and still others choose to use child care centres or volunteer-based programmes. With the increased number of women participating in the work force, single-parent families and nuclear families compounded with the advanced knowledge of early brain development and early childhood development, the existing child care services may no longer be sufficient in today's context. Service expectations and gaps in the current child care services have been identified through different channels. Taking an overall perspective to improve child care services, the following recommendations are generated for the Government's consideration:

1. Increase funding in child care services, upgrade infrastructure as well as provide more subsidies and relax the application threshold for fee subsidy;
2. Improve the qualified staff-to-child ratio for children aged 0 to under 3 so as not to only alleviate the burden on the staff, but also enhance the interactions with the children and their development;
3. Upgrade and improve the qualification and training for child care workers as well as offer training for other child carers in the home setting with a view to providing quality care to the children;
4. Encourage effective dissemination of information on child care services to potential users;
5. Improve the service quality of the NSCCP, re-position the MHCCCs and review the distribution of the OCCS;
6. Enhance the quality of child care services by embracing and incorporating the elements of early childhood development and care in the long-term development of child care services;

7. Establish an appropriate planning mechanism for the provision of child care centre service with continuous review to ensure sufficient provision of places for child care;
8. Enhance the monitoring system, financial management procedures and guidelines to reduce unnecessary workload;
9. Develop a set of quality indicators for monitoring and assessment based on child development and with reference to international practices;
10. Explore a more efficient and cost effective financing mode to cater for different types of families to reduce their financial burden and simultaneously enable resource deployment for the Government; and
11. Conduct evaluation on child care services on a regular interval to measure its development for continuous improvement.

Improvement of child care services would not be effective if it is only treated as a standalone measure. It requires all the stakeholders in the community to foster a family-friendly environment to provide an integrated and holistic support for raising all children in Hong Kong.