



For Immediate Release

Friday, 2 May, 2003

## **BELEAGUERED PRIVATE EDUCATORS CALL FOR SUPPORT FROM LANDLORDS**

The Hong Kong Federation of Private Educators (HKFPE) has called upon landlords and other commercial suppliers to offer support to private educators to help them overcome the crippling financial difficulties they are experiencing during the current Sars outbreak.

Until the situation normalizes, the Federation urges commercial organizations and landlords to consider the difficulties private schools and kindergartens are facing and reduce rent or other costs to provide temporary relief. At the very least, schools who are finding it difficult to meet their current financial obligations should be allowed to defer rent and other payments until the cash flow situation returns to normal.

Because of suspension of classes, many private schools are burdened with their usual operating overheads but with little or no revenue. The major problem is that parents are refusing to pay monthly fees is causing serious financial hardship to the private education sector. The difficulty in collecting the monthly fees is, the Federation believes, a direct result of misguided government attempts to control fee collection, which began with a revision to the Ordinance June 2002. Consequently, the Federation is also working towards putting an end to discriminatory fee controls.

"Nobody wins in this situation," observes Federation chairman Peter Forsythe. "If a school has closed or suffered a big drop in attendance, it can't meet its overhead so there's the prospect of closures, teachers out of work, and, in the case of kindergartens, mothers having to stay at home to look after children and so forth. It could even result in a further softening of the real estate rental market and reduce landlords' revenue in the longer term."

Another Federation member, June Leung of Beacon School, adds, "Landlords tend to believe that only tourism, retail and restaurants are suffering but not us. While they agree to arrange a rent reduction to these tenants they simply take us off the list."

Paul Arkwright of Excel Education Limited and vice-chairman of the Federation, questions the fairness and logic behind Government policy concerning relief measures. "The Government recently announced SARS relief measures to help restaurants, hotels, fast food shops, travel agents, tourist coach operators, virtually all retail businesses, cinemas and even karaoke bars. Why then is it refusing to help schools in the private education sector. These schools have exactly the same overheads to meet and have suffered an even greater loss of business (in some cases absolute) as, under Government. The Government is sending out a confusing message for the future of Hong Kong, one which favours the survival of karaoke bars over education".

Federation officials will join other private education groups in meeting with the Legco Panel on Education next Monday, 5<sup>th</sup> May to lobby for the inclusion of kindergartens and other private schools in the government's aid package and to call for an end to unfair treatment by the Education and Manpower Bureau (EMB).

Ends

For further information contact  
Peter Forsythe at 9308 0799 / William Ng 9801 5189