

**Progress report on the motion on  
“comprehensively reviewing the role and functions  
of the University Grants Committee”  
moved by Professor Hon Patrick LAU Sau-shing  
at the Legislative Council meeting  
on 18 March 2009**

**Background**

Professor Hon Patrick LAU Sau-shing moved the motion on “comprehensively reviewing the role and functions of the University Grants Committee (UGC)” at the Council meeting on 18 March 2009. The motion, as amended by Hon Paul CHAN Mo-po, Hon Starry LEE Wai-king, Hon Tanya CHAN, Hon Mrs Regina IP LAU Suk-ye and Dr Hon PAN Pey-chyou as follows, was endorsed —

“That, as the international trend is that more and more countries, including the United Kingdom, New Zealand, Singapore, etc, have abolished their university grants committee mechanism, this Council urges the Government to comprehensively review the role and functions of the University Grants Committee of Hong Kong, with a view to optimising the academic quality of local universities as well as the quality of their scientific researches, including —

- (a) complementing the switch to the ‘334’ academic structure, fostering the interface between local universities and the top universities in the world, and strengthening mutual academic exchange and co-operation in scientific researches;
- (b) improving the mechanism for approving research funding, abandoning the vetting criterion of giving emphasis to quantity rather than quality, ensuring academic freedom, and promoting research studies which meet the needs of the local community;
- (c) establishing a Fifth Matching Grant Scheme, continuing to encourage universities to raise funds from the community and their alumni, strengthening the link between universities and the community, and cultivating within the community a philanthropic culture in support of the development of university education;

- (d) allocating more funds to provide subsidised undergraduate places and for the universities to determine the intake of associate degree graduates and the number of undergraduate places that need to be substantially increased after the academic structure reform;
- (e) promoting the development and construction of campuses under the principle of university autonomy, and developing Hong Kong into the education hub of Asia;
- (f) supporting Hong Kong's universities to operate higher education institutions in the Pearl River Delta Region and collaborate with mainland education institutions in the area of scientific research, thereby enhancing the quality of these universities' scientific researches, so as to complement the development of Hong Kong into an education hub and nurture talents for the Pearl River Delta Region;
- (g) expeditiously reviewing the effectiveness of the work of the University Grants Committee and, based on the review results, examining the Committee's composition, structure, statutory status, mode of connection with the Government, powers and responsibilities, as well as its mode of regulation over various education institutions;
- (h) in vetting research funding applications, the University Grants Committee or the various education institutions should arrange for the vetting work to be carried out by persons with research experience in the academic fields for which the funding is applied;
- (i) reviewing the existing target that 18% of the relevant age cohort may enrol in publicly-funded undergraduate programmes;
- (j) through various feasible ways, striving to enhance the corporate governance standard of publicly-funded education institutions and improve their administration, financial and human resources management systems, so as to strengthen the protection of academic freedom and enhance the transparency of the operation of the universities;
- (k) ensuring that universities will not, as enterprises do, set increasing income as their objective;
- (l) promoting knowledge creation, new and high technology as

- well as researches conducive to economic development;
- (m) giving priority consideration to nurturing local students, improving the teaching quality and curricula, as well as broadening the international perspective of Hong Kong students;
  - (n) adjusting Hong Kong's current development strategy on higher education which has all along emphasised the scientific, commercial and professional disciplines, and giving greater weight to humanities to enable university students to have a more all-rounded perspective and scholastic achievement; and
  - (o) assisting the various local universities in exploring other sources of income in addition to government funding, so that the universities can have more sufficient resources to develop their teaching and research work."

2. This progress report sets out the follow-up actions taken or being taken by the Administration for Members' information.

### **Role of UGC**

3. The UGC is a non-statutory advisory committee responsible for advising the Government on the development and funding needs of its funded institutions. Its members comprise local and overseas accomplished academics, higher education administrators and eminent community leaders. The UGC will from time to time conduct reviews of its roles. For instance, it has embarked on the Higher Education Review 2010 whose aim is to come up with, in the first half of 2010, a forward looking document that can assist the Government and the public in reflecting on the purposes of higher education, perceived world trends, and hence the strategies for Hong Kong's higher education system. A working group comprising local and overseas academics have been established to undertake the Review which will look at the demand for and provision of higher education opportunities, quality assurance for higher education, research support strategy and research funding mechanism, and the position of higher education in Hong Kong in the context of globalization and the rapid development of higher education in Mainland China and the region. The role of UGC will be examined in the process.

### **Academic exchange and co-operation**

4. The collaboration and exchange between education institutions in Hong Kong and their counterparts overseas and in the Mainland have been strengthening in the past few years, as evidenced by the flourishing student/teacher exchange activities and joint academic programmes/research studies. Regarding research, the Research Grants Council (RGC) has established a number of Joint Research Schemes (JRSs), including the Germany/Hong Kong JRS, the France/Hong Kong JRS, the National Natural Science Foundation of China (NSFC)/RGC JRS, and the Economic & Social Research Council (ESRC)/RGC JRS; as well as the Fulbright Hong Kong Scholar Programme which supports Hong Kong scholars to undertake research work in the United States. Furthermore, six State Key Laboratories were established by education institutions in Hong Kong on the approval of the Ministry of Science and Technology of the People's Republic of China. On the exchange front, the UGC-funded institutions have teamed up with many institutions in the Mainland and overseas to offer student exchange programmes.

5. The UGC-funded institutions have also joined hands with institutions and organizations in the Mainland to co-organize a number of training, bachelor and master degree programmes in Shenzhen and other areas of the Guangdong province, so as to nurture talents for the Pearl River Delta Region on subjects such as business management, finance, logistics etc. For example, the Beijing Normal University and the Hong Kong Baptist University have jointly set up the United International College in Zhuhai. In addition, the HKU SPACE has set up the HKU SPACE Global College Suzhou with the University of Science and Technology, Suzhou and Global EduTech Management Group.

### **Research**

6. Emphasizing quality rather than quantity, the UGC subsidizes academic research to help institutions in their pursuit of excellence. The research portion of the Block Grant is provided to individual institutions according to their respective performance in the Research Assessment Exercise. A UGC working group is now discussing with the eight UGC-funded institutions on optimizing the research assessment methodology

and resource allocation mechanism.

7. The competitive Earmarked Research Grant (ERG) is allocated on the academic merit of the applications by the RGC through a peer review mechanism — a practice widely used by international research granting bodies. The RGC is assisted in its work by four specialist subject panels, namely the Physical Sciences Panel, Engineering Panel, Biology & Medicine Panel, and Humanities, Social Sciences and Business Studies Panel. Since most of the 140 panel members are recognized local and overseas academics of various disciplines, academic freedom and fairness of the granting process are upheld.

8. An \$18 billion Research Endowment Fund was formally established in March 2009. Investment income on up to \$4 billion of the principal will be set aside to support theme-based research, thus allowing the UGC-funded institutions to work on research proposals on themes of a more long-term nature and strategically beneficial to the development of Hong Kong. A Steering Committee for Research Themes has been established to advise the Government on the selection of appropriate themes.

9. The UGC strongly supports the institutions in their engagement in knowledge transfer, which refers to “the systems and processes by which knowledge, including technology, know-how, expertise and skills are transferred between higher education institutions and society, leading to innovative, profitable or economic or social improvements.” Last year, the Legislative Council approved a recurrent funding of \$50 million each year from 2009/10 onwards for the institutions to develop their capacity for knowledge transfer and to broaden their endeavour in this area.

### **Academic Development**

10. Academic development falls within the scope of institutional autonomy. The implementation of the “3+3+4” academic structure will provide the institutions with an opportunity to introduce curriculum changes and bring about improvements in teaching and student learning experiences. In planning for the new curriculum, the institutions will lay emphasis on broader learning experiences and more flexible choices of courses, with a view to widening students’ horizons and fostering their intellectual and

personal development. Some elements of the normative four-year curriculum will be phased in during the 2009/10 to 2011/12 triennium such that students enrolling on the current 3-year curriculum may also benefit from the changes brought about by “3+3+4”.

### **Increasing the Number of Publicly-funded Undergraduate Places**

11. In determining the approved student number target for publicly-funded first-year first-degree (FYFD) places in the UGC-funded sector, the Administration will take into account various educational, social and economic factors. These include, among others, the projected student population of the 17–20 age cohort, the quality of teaching and student intakes, the development of the publicly-funded and self-financing post-secondary sectors, the Government’s fiscal position, as well as the manpower requirements and economic development trends of Hong Kong. Currently, the annual government expenditure on higher education exceeds \$11 billion. Any further increase in the number of publicly-funded FYFD places will involve huge amount of public resources. Therefore, we must act prudently with due regard to the needs of the self-financing sector, in order to ensure the sustainable development of the whole higher education sector.

12. With a view to facilitating the Hong Kong Institute of Education (HKIEd) to develop into a multi-disciplinary institution, the Administration decided in June 2009 that 120 additional FYFD places above the level originally envisaged for the 2009–2012 triennium (i.e. 14 500 FYFD places) would be provided to the UGC for allocation to HKIEd as soon as the relevant prerequisites have been fulfilled.

13. As regards the number of publicly-funded senior year undergraduate places in the UGC-funded sector, it has been increasing in phases from the 2005/06 academic year onwards. In the 2009/10 to 2011/12 triennium, the annual number of senior year intake places will further increase to around 2 000 such that around one out of every eight graduates of the UGC-funded institutions will have progressed through the articulation pathways for sub-degree holders.

### **Promoting the Development and Construction of Campuses**

14. Each UGC-funded institution would formulate its own campus development plan to suit its own needs. The Government and the UGC have been supporting the campus development efforts of the UGC-funded institutions based on their individual needs. For that purpose, we have submitted 21 project proposals to the Legislative Council for consideration within the previous and current legislative sessions; the approved estimates of the projects exceed \$11 billion in total (in money-of-the-day prices). Apart from academic facilities and amenities, around 6 600 publicly-funded hostel places will be provided under those capital works projects.

### **Improving Institutional Governance**

15. The Higher Education Review 2002 conducted by the UGC has prompted the governance bodies of individual universities to conduct reviews of their own governance and management structures with a view to ensuring that their structures are fit for purpose, and to implement the recommended improvement measures and put forward amendments to legislation with a view to improving governance. The UGC encourages the institutions to explore ways in which their complaints handling mechanisms may be improved while respecting and protecting institutional autonomy. The UGC is studying redress mechanisms adopted by institutions in other jurisdictions. On the basis of the findings, the UGC will explore with the institutions how their redress systems may be improved. This will include coming up with best practices of local and overseas institutions for sharing purposes.

Education Bureau  
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