

立法會 *Legislative Council*

LC Paper No. CB(2)665/09-10(02)

Ref : CB2/PL/ED

Panel on Education

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 11 January 2010**

Role and functions of the University Grants Committee

Purpose

This paper summarizes the concerns of the Panel on Education (the Panel) on the role and functions of the University Grants Committee (UGC).

Background

2. Established in 1965, the UGC is a non-statutory advisory committee responsible for advising the Government on the funding and development of higher education in Hong Kong. The terms of reference of the UGC at the time of setup were as follows -

"To keep under review in the light of the community's needs :

- (i) the facilities for university education in Hong Kong;*
- (ii) such plans for development of the universities as may be required from time to time;*
- (iii) the financial needs of university education; and*

to advise the Government on the application of such funds as may be approved by the Legislature for university education".

3. In response to the UGC's growing responsibilities for higher education planning, specifically its involvement in formulating higher education policies and setting up new institutions, the terms of reference of the UGC were extended in 1982 to include providing advice on other aspects of higher education as might be referred to the UGC by the Governor.

4. The UGC does not have a fixed size of membership. All UGC members are appointed by the Chief Executive in their personal capacity. They include both academic and lay (non-academic) members. When it was first established, the UGC had 11 members, mostly scholars from the United Kingdom and there were no local academic members.

5. Since the 1990s, the UGC has had academic members from local institutions. In recent years, the membership of the UGC has been kept at around 20-25. At present, the UGC has 24 members.

6. The UGC-funded institutions include the City University of Hong Kong, the Hong Kong Baptist University, the Lingnan University, the Chinese University of Hong Kong, the Hong Kong Institute of Education, the Hong Kong Polytechnic University, the Hong Kong University of Science and Technology, and the University of Hong Kong.

Deliberations of the Panel

7. Over the past few years, the Panel had discussed issues relating to the role and functions of the UGC in the context of academic freedom and institutional autonomy of higher education, as well as governance and grievances and complaints mechanisms of the UGC-funded institutions. Deputations had been invited to give views at some of these meetings. The major concerns raised by members and deputations are summarized in the ensuing paragraphs.

Role and autonomy of the UGC

8. When the Panel discussed the alleged Government interference with academic freedom and autonomy of the Hong Kong Institute of Education at its meetings on 28 February and 13 April 2007, the deputations expressed the following views on the role and autonomy of the UGC -

- (a) the UGC should act as a "buffer" between the tertiary institutions and the Government, safeguarding the academic freedom and autonomy of the institutions on the one hand, and ensuring value for money for the taxpayers on the other;
- (b) the Education Bureau (EDB), as a policy bureau, should not have direct contact with individual institutions to avoid the possibility of interference. The UGC should be the channel of communication between the Government and the institutions;
- (c) there were separate budgets for the UGC and the Education Department previously. However, in the mid-90's, the budgets of the UGC and the Education Department were combined and the Secretary for Education had since become the controlling officer of the UGC. The UGC had

lost its autonomy in allocation of resources to higher education and had become a subordinate body of EDB. The independence of the UGC had greatly been eroded. The role of the UGC had changed from a middleman to an interfering regulator under the influence of EDB;

- (d) the Higher Education Review conducted in 2002 set out the blueprint for the future development of the higher education sector, which included the recommendation to strengthen role differentiation and encourage collaboration among the UGC-funded institutions to promote diversity and excellence. Accordingly, the UGC played a more proactive role to steer institutions towards clear role differentiation and to facilitate deep collaboration among institutions in the advancement of their respective roles; and
- (e) the establishment of the Quality Assurance Council (QAC) of the UGC on 1 April 2007 provided another instrument for the Administration and the UGC to interfere with academic freedom and institutional autonomy through quality audits conducted by audit panels established under QAC at the institutional level.

9. The Administration pointed out that the UGC (and the UGC Secretariat) was the principal channel of communication between the Government and the UGC-funded institutions. The UGC had open channels to both the institutions and the Government, and sought to promote responsible understanding between the institutions, the Government and the community at large. Direct formal contacts between the institutions and the Government were limited to areas such as legislative matters regarding the institutions' ordinances, appointments to Councils of the institutions, and contracts for services rendered.

10. The Administration advised that the UGC worked with its funded institutions, the Administration and the community to promote excellence in the higher education sector. In the performance of its role in assuring the quality and value-for-money in the provision of higher education by its funded institutions, the UGC had conducted various reviews including the Management Review (1998-1999), the Teaching and Learning Quality Process Reviews (1995-1997, 2001-2003) and the Performance and Role-related Funding Scheme (2004). As the UGC-funded institutions were increasingly active in the provision of self-financing programmes at degree and above levels, the UGC had reviewed its role and decided to set up in April 2007 QAC under its aegis to assist it in the discharge of quality assurance responsibilities.

11. At the Council meeting on 18 March 2009, Members passed a motion urging the Administration to comprehensively review the role and functions of the UGC. The Administration informed Members in its progress report on the motion in September 2009 that the UGC had embarked on the Higher Education Review 2010 with the aim of coming up with, in the first half of 2010, a forward looking document that could 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 had

been established to undertake the Review which would 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 the Mainland and the region. The role of the UGC would be examined in the process.

Membership and Secretariat of the UGC

12. Many deputations were concerned that the existing make-up of the UGC and its Secretariat was not conducive to the maintenance of its independent role. They pointed out that all members of the UGC were appointed by the Chief Executive (CE). These members normally shared the beliefs and ideals of the Administration and had a tendency to support the Administration's education policies and practices. In the views of the deputations, to enhance the independence of the UGC, its members to be appointed by CE, including ex-officio members, should not be more than 50% of its total membership. To enhance the accountability of the UGC and the transparency of its operation, its members should include staff members of the UGC-funded institutions.

13. The deputations further opined that as the Secretary General of the UGC reported to the Permanent Secretary for Education, such superior-and-subordinate relationship was not conducive to the independence of the UGC. They were of the view that the Secretary General of the UGC should not be a civil servant.

14. According to the Administration, members of the UGC were appointed by CE in their personal capacity having regard to the individuals' experience and expertise. Currently, about half of the UGC members were accomplished academics and higher education administrators from outside Hong Kong, and the other half were local members comprising eminent community leaders and academics of high standing. All members of the UGC offered impartial and expert advice to the Government on the funding and development of higher education in Hong Kong.

Funding to institutions

15. The UGC provides two types of funding to the institutions, namely recurrent grants to support on-going academic and related activities, and capital grants for capital works projects. Recurrent grants to each institution basically comprise a block grant and earmarked grants for specific purposes. The block grants consist of three elements in the 2009-2012 triennium. They include teaching (about 75%), research (about 23%), and professional activity (about 2%). The Earmarked Research Grant is allocated from the UGC to the Research Grants Council (RGC) for supporting various academic research activities of the institutions.

16. The UGC also provides funding for capital works projects. Capital works projects wholly or partly funded by the UGC, costing more than \$15 million each, are funded by capital subventions. Proposals for capital subventions are considered by the UGC on an annual basis to coincide with the Government's annual Capital Works

Resource Allocation Exercise. For those projects costing less than \$15 million each, they are funded through the annual Alterations, Additions, Repairs and Improvements Block Allocation.

17. Some deputations had expressed concern about the inclusion of a performance and role-related element in the recurrent grants to each UGC-funded institution. This element was closely related to the performance of the role of the institutions as delineated by the UGC. The element had increased from 2% of the grants in 2000 to 10% in the 2005-2006 to the 2007-2008 triennium. Some deputations were of the view that such a funding arrangement enabled the UGC to steer the development of the institutions.

18. According to some deputations, research projects undertaken by institutions were assessed on the basis of commercial, economic and social science criteria under the Research Assessment Exercise conducted by the UGC. Quantity rather than quality of research work was emphasized within institutions. There was no appeal mechanism concerning grants and funding to the UGC-funded institutions and individual projects.

19. The Administration stressed that the UGC subsidized academic research to help institutions in their pursuit of excellence emphasizing quality rather than quantity. The research portion of the Block Grant was provided to individual institutions according to their respective performance in the Research Assessment Exercise. A UGC working group was discussing with the eight UGC-funded institutions on optimizing the research assessment methodology and resource allocation mechanism.

20. The Administration also pointed out that the competitive Earmarked Research Grant was 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 was 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 were recognized local and overseas academics of various disciplines, academic freedom and fairness of the granting process were upheld.

Relevant papers

21. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Relevant papers on role and function of the University Grants Committee

Meeting	Date of meeting	Paper
Panel on Education	11.1.2005 (Item I)	Minutes Agenda
Panel on Education	26.1.2006 (Item III)	Minutes Agenda
Panel on Education	14.5.2007 (Item VI)	Minutes Agenda
Panel on Education	9.7.2007 (Item III)	CB(2)2071/06-07(06) CB(2)2357/06-07(04) CB(2)2357/06-07(05)
Panel on Education	17.7.2008 (Item II)	Minutes Agenda
Panel on Education	9.2.2009 (Item VI)	Minutes Agenda
Legislative Council	18.3.2009 (Motion)	"Comprehensively reviewing the role and functions of the University Grants Committee" Hansard (English) (pages 133 – 246) Progress report
Panel on Education	6.7.2009 (Item I)	Minutes Agenda