

The Hong Kong Polytechnic University

College of Professional and Continuing Education (PolyU-CPCE)

Submission to the Legislative Council Panel on Education

7 February 2015

**Good Practices in the Governance and Quality Assurance
of the Self-Financed Post-Secondary Sector**

The College of Professional and Continuing Education (CPCE) of The Hong Kong Polytechnic University (PolyU), offers self-financed programmes at the post-secondary level. The programmes are offered through CPCE's two education units, namely Hong Kong Community College (HKCC) and School of Professional Education and Executive Development (SPEED).

Code on Good Practices

1. The proposed code on governance and quality assurance (QA) is broadly supported by PolyU-CPCE. As noted in the study, a key issue is how best to ensure stakeholder participation, accountability and transparency and it is believed that the recommendations will facilitate the attainment of these goals.
2. PolyU-CPCE already implements the great majority of the recommendations embodied in the code of good practice proposed.
3. In the few cases where the College does not already fully follow the code, it should not be too difficult to align with the relevant recommendations.

Disclosure of Financial Information

4. An important recommendation concerns financial transparency. In this regard, it can be noted that PolyU-CPCE's financial situation and performance is included in the PolyU's annual consolidated financial report, which is accessible by the general public.
5. Concerns arise as to the level of detail expected to be disclosed to the general public. Some data can be sensitive, because of competitive market reasons. Other data can be misinterpreted without the benefit of knowing the overall plan or the longer term situation of the College.

6. PolyU-CPCE supports the full disclosure of financial information to the relevant QA body which could judge whether or not resources are deployed in an appropriate manner regarding quality, after assessing the College's overall operations and future plans.

PolyU-CPCE's Financial Situation

7. In respect of PolyU-CPCE's financial situation, significant reserves have been set aside in order to:
 - Provide for the heavy maintenance and re-building costs associated with supporting an up-to-date two-campus infrastructure (original building costs of close to \$1billion).
 - Allow for further investment in additional teaching and student support facilities
 - Provide a buffer in the face of expected future deficits, in both HKCC and SPEED, as a result of falling secondary school student numbers and enhanced competition in the Hong Kong self-financed tertiary sector. Current budget projections for 2014/15 indicate deficits for both HKCC and SPEED.

Scholarships and Financial Assistance to Students

8. It is noteworthy that PolyU-CPCE has pursued policies to provide student scholarships and funding to support overseas exchange and other initiatives. These have been greatly expanded in recent years. In 2013/14, HK\$27.5m was spent on scholarships and financial support by PolyU-CPCE, benefiting 5,308 students. Additional expenditure on learning support and student development amounted to HK\$11.5m in the same period, to the benefit of all enrolled students.

Tuition Fee Levels

9. In both HKCC and SPEED, student fees have only been raised four times over the last 14 years. In the case of HKCC, fees have increased 15.9% from 2001 to 2015, nearly half the 29.4% increase in the consumer price index (CPI) over this period. SPEED has increased fees by 22.9% between 2003 and 2015, as compared to an increase of 36.6% in the CPI.
10. PolyU-CPCE student fees are currently in the mid-range when benchmarked against comparable self-financed educational institutions in Hong Kong. There are currently no plans to increase fees in either HKCC or SPEED in the near term, despite projected continuing deficits in both Units over the next several years.

Conclusion

11. In conclusion, PolyU-CPCE is broadly supportive of a code of good practice for self-financing tertiary institutions in Hong Kong, with the possible exception of disclosure of detailed financial information to the general public. The majority of the recommendations embodied in the code have already been adopted by the College. PolyU-CPCE has managed its finances responsibly, and has made use of its income to benefit a large percentage of our students through the provision of scholarships and student development support schemes, as well as the enhancement of teaching and learning and other campus facilities.