



**The Hong Kong University Students' Union (HKUSU)  
Submission to the Panel on Education, Legislative Council**

13 June 2016

**HKUSU Response to the Report of the University Grants Committee on Governance  
in UGC-funded Higher Education Institutions in Hong Kong (Newby Report)**

Having studied the Newby Report, HKUSU supports the general directions towards a more effective university governance. HKUSU is also concerned with the effectiveness of certain recommendations and comprehensiveness of observations as illustrated in the report.

**1. Overall Comment**

**1.1. Failure to fulfill the Terms of Reference (ToR)**

HKUSU regrets the failure of the report in looking into the major problems of university governance in Hong Kong. The power exercised by the Chief Executive in intervening the institutions, as well as the effectiveness of university governance based on current composition of the governing bodies, are not explored and discussed in the report. However, these issues clearly lie within the scope of the ToR, that the report shall analyze *'the appropriate level and extent of the involvement of the councils in key decision-making'*.

**1.1.1. The Role of Chancellor**

University Ordinances stipulate that the Chief Executive shall be the Chancellor of the eight UGC-funded institutions. Under the provision, the Chief Executive wields the power to confer degrees and academic awards, to preside at congregations, (presiding the Court meeting in HKU) to appoint council members etc. While government officials claimed his role to be a mere 'nominal head' of the University, it is evident that power has been granted to the Chief Executive to influence the operation of the institutions. In fact, the debates over the role of Chancellor is not something new as it have been regarded as a legacy from the colonial bad law. The recent controversies over political interventions to institutions in Hong Kong have brought the problem to light again. Therefore, it is reasonable to claim that the negligence of such important matter shall be considered as the major limitation of the report.

**1.1.2. Composition of Council**

Some institutions have adopted recommendation in Niland Reports to restructure their council compositions by increasing the numbers of lay members. However, some university members have shown concern that the core values and missions of the university might be sacrificed. In HKU's case, the ratio of lay to university members in the Council is of 2:1, while 7 of the lay



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members, including the council chairman, are appointed by the Chief Executives. Scandal of political suppression over the appointment of the candidate for Vice-President (Academic Staffing and Resources) in late 2015 in HKU Council illustrates the risk and problem of such composition and selection method of lay members in Council. It is expected that the report would review the composition of governing bodies to ensure the proper implementation of previous recommendations.

## 1.2. Inadequate International comparison

As the study makes reference to comparable countries, aiming to learn from international best practices, the socio-economic and political context of each country is yet omitted, and shall be explored as a premise to facilitate the study or even subsequent introduction of the concerned measures into Hong Kong. While the countries being selected are more or less the same as those in the past researches, the socio-economic and political contexts of both comparable countries and ourselves should be further looked into, for their significant impact towards the implementation of different measures on university governance.

## 2. **Response to the Recommendations**

### 2.1. Recommendation 1

*Consideration should be given by institutions and the Government to the processes of training and continuing professional development of council members, so that they may discharge their duties in a more informed manner. The identification of candidates should be made with regard to a skills template which each institution should draw up and keep under review. Induction should be undertaken by both the UGC, with regard to sector-wide issues, and by each institution in respect of individual institutions.*

HKUSU agrees with the importance of comprehensive induction and professional development for all council members in order to familiarize members with the operation of the University and acquaint them with the local and global higher education sector.

It is awared that institutions may lack motivation or incentive in implementing good induction programme as it requires much time and cost to do so. It is thus suggested that UGC shall provide adequate support to institutions apart from merely managing the central sector-wide induction.

HKUSU notes the use of skill template which ensures that the recruitment of council members would follow a systematic consideration of skills and



expertises that the Council requires in discharging its duties. Regrettably, the institutions still have little control over appointment of council members while the power to appoint council members still rest in the hands of the Chief Executive.

## 2.2. Recommendation 2

*In order to ensure that the fiduciary responsibilities of council members strike an appropriate and sustainable balance between institutional autonomy and public accountability the UGC should create a mechanism to explore, drawing upon international good practice, the establishment of a written accountability framework on which the vice-chancellor / president and the council report annually.*

HKUSU supports initiatives on granting more autonomy to institutional governance. It is evident that the current balance between institutional autonomy and public accountability is not at its optimum. The change from the existing system to the UK's HEFCE Financial Memorandum or the Singapore's public accountability framework might be considered as too ambitious. However, it is the responsibility for the report and UGC to study the mechanism, in details, and how it could be incorporated in Hong Kong rather than recommending a moderate step forward. The urge for reform in the sector clearly shows the determination and readiness of the institutions.

## 2.3. Recommendation 3

*Council has a vital role in strategic planning, the latter seen as a process which clearly sets out institutional priorities and forms the basis of the council's assessment of institutional performance. In order to discharge this role each university should draw up a set of key performance indicators which are timely and relevant and which allow council to assess the progress towards the priorities agreed in the strategic plan.*

HKUSU welcomes the promotion of setting key performance indicators to assess the progress of the implementation of universities policies. In fact, key performance indicators have been included in the University's Strategic Plan for some years, serving as the main references for council members and external stakeholders to evaluate the work of the university.

HKUSU is concerned with the discussion in the report on involving council members in early stage of strategic planning. It shall be cautious that a meaningful and proper involvement can only be achieved with the collaboration of the senior management and the adequate understanding of the mission and core values of the institution among members. Therefore,



there might be risks when the relationship between the senior management and the governing body, and the commitment of members in safeguarding the autonomy and core values of institutions are uncertain.

Moreover, as the Strategic Plan guides the development of the triennial Academic Development Proposal(ADP), institutions competing for more resources and funding might forgo their own university mission to meet the recommendations from UGC for more quotas under the Competitive Allocation Scheme. This hinders the diversified development in the higher education sector. While council members have the obligation to take both the public interest and the institution values into consideration, the current funding mechanism obstructs an effective delivery of governance.

#### 2.4. Recommendation 4

*The oversight of risk management, whereby the council is satisfied that major institutional risks – both financial and reputational – have been clearly identified and are being effectively managed, is an irreducible responsibility of council. Each council should therefore draw up a risk register which is reviewed at least annually and, ideally, more frequently.*

HKUSU recognizes the urge of governing bodies in adopting a more systematic approach on managing institutional risks. Despite the common practice of using risk register in the UK, this management system is quite new to the university sector in Hong Kong. As a result, professional assistance is essential to the senior management of the institutions. The report also suggests a day away retreat or a 'less mechanistic way' to review the emerging or out-dated risks. It is yet deemed not very practical given the time commitment that places much burden on the council members.

#### 2.5. Recommendation 5

*Each council should publish a scheme of delegation which sets out the sub-structure of its committees and includes the mechanism whereby council is satisfied that the related managerial oversight of university activities is being effectively handled, including appropriate delegation and reporting mechanisms.*

HKUSU agrees the implementation of a clear scheme of delegation which would be beneficial to the senior management and the council. A comparatively well-established system for delegation of power to different committees with written terms of references, reasonable composition on membership, and adequate monitoring by the council has been agreed to be put in place in HKU. But more regular review to that is essential so as to be in



accordance with the recommendation of the report. The need for regular reviews on these sub-structures is also recognized to prevent bureaucratic burden or oversight of risks.

### 3. Implications to UGC

#### 3.1. Problematic tools used to steer the sector

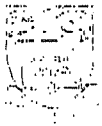
The report briefly introduces the funding formula, and some minor technical adjustments as the tools for UGC to achieve certain policy objectives and steer the sector. The report further notes that ADP and Research Assessment Exercise (RAE) are alleged to cause negative competition among institutions, homogenous development of curriculums and institutions, and negligence in investment in improving teaching and learning experience in institutions. These measures threaten the university governance and development. UGC shall review and consider to abolish these problematic mechanisms.

#### 3.2. Lack of visions towards Higher Education in Hong Kong

The report states several times that "international league table" is becoming a common concern among institutions around the world. Therefore, certain discussions on the university governance are based on the assumption that the primary aim or duty of the institutions' governing bodies is to ensure that the management can make the university rank higher. However, these numbers shall only be perceived as an indicator for international trend or a guide to facilitate collaboration and experience exchange among institutions. The phenomena that institutions in Hong Kong being para-obsessed to overvalue international ranking and undermine their missions reveals the shortcomings of UGC in fulfilling its duty. It is the absence of a blueprint that outlines the overall vision for development in higher education in Hong Kong prohibits the respective institutions to develop with a comprehensive consideration on both their missions and real public interest. While the education sector and professionals should understand that international ranking does not necessarily mean the University is doing well, it is the outcome of the education process which defines the university. UGC also has an irreducible duty to take an active step to cultivate a better education environment and guide a balanced development among institutions by providing clear visions for the sector.

### 4. Conclusion

HKUSU appreciates the publication of the report in terms of fostering a more in-depth discussion in institutional autonomy and public accountability among various stakeholders with provision of measures to improve university governance. Under the premise that the report aims to provide timely solutions for university governance, as the recommendations are described as



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"achievable and deliverable over a short time span", long-term measures and systematic review are limited. Nevertheless, institutions shall incorporate appropriate measures to enhance the effectiveness of governance as well as paying attention to overcome difficulties in governance that is not tackled in the report.

HKUSU proclaims that only a long-term structural reform shall bring along a genuine balance between institutional autonomy and public accountability in university governance for the betterment of higher education in Hong Kong. These reforms include but not limited to the followings, including to minimize political intervention by abolishing the role of Chief Executive as exofficio Chancellor, to consider a better resource allocation mechanism replacing the Competitive Allocation Scheme and, to formulate comprehensive policies and plan on sector-wide development.

The higher education sector is crucial in nurturing individuals with knowledge and virtues to build a better society and live a flourishing life. As The Lima Declaration on Academic Freedom and Autonomy of Institutions of Higher Education emphasized, a high degree of autonomy of institutions is a requisite for academic freedom whereas academic freedom is essential pre-condition for universities to discharge its function to educate, research and serve. All stakeholders including students shall endeavour to safeguard institutional autonomy and resist to political interventions in university governance. HKUSU will actively monitor the implementation of recommendations and review other relevant areas on University governance.

