

CHAPTER 9

OVERSIGHT BODIES IN THE POST-SECONDARY EDUCATION SECTOR

DEVELOPMENTS SINCE THE 2002 REVIEW

9.1 In anticipation of the growth in sub-degrees following the Chief Executive's policy initiative to increase the percentage of those receiving post-secondary education and training to 60%, the 2002 Higher Education Review Report argued that "there is a clear need for related and comparable [to the UGC sector] governance arrangements to be made for the new sector which will provide programmes at associate degree level." As "the specialist needs of first degree and postgraduates studies and research would mean that a body that covered also the sub-degree sector would be unacceptably large", the 2002 Report recommended the establishment of a Further Education Council to oversee the provision of programmes at the sub-degree and comparable levels by both public and private providers. The Further Education Council would need to work closely with the UGC and the body governing vocational education and training sector, and might extend its remit to the continuing education provided by the extension and outreach departments of universities. The 2002 Report also recommended that with the establishment of the Further Education Council to oversee sub-degree matters, responsibility for all work at degree level should be allocated to the UGC.

9.2 In response to this recommendation, the Government decided that instead of establishing a Further Education Council, coordination amongst the sub-degree (including Associate Degree), vocational training and continuing education sectors should be entrusted to the Manpower Development Committee. However, since the reorganisation of the then Education and Manpower Bureau in 2007, the Committee has been detached from the current Education Bureau. The recommendation that UGC should take on all degree-level work has not been pursued.

9.3 As discussed in Chapter 3, since the publication of the 2002 Review Report, the distinction between the publicly funded university sector and the non-university, non-UGC sector has become less clear. For instance, UGC-funded institutions are providing self-financed sub-degree and degree programmes, non-university institutions such as the HKAPA and Chu Hai College are conferring local degrees, sub-degree graduates in the VTC sector are

pursuing top-up non-local degrees and a number of self-financing sub-degree providers are aspiring to become private universities. The blurring of these categories is the reason for our recommendation in Chapter 3 that policy makers should treat all elements of post-secondary educational provision as a single system. We also argued in Chapter 3 that the post-secondary system must be capable of providing clear and transparent progression pathways for students to progress from one sector to another.

OVERSIGHT OF THE POST-SECONDARY SECTOR

9.4 In terms of administration, the policy responsibility for overseeing the development of the entire post-secondary education system rests with the Education Bureau, which is clearly best placed to oversee the coherent development of the whole sector. We believe there would be advantage in establishing a coordination committee to assist the Education Bureau in this work, comprising the chairpersons of the various oversight bodies under the chairmanship of the Secretary for Education. This coordination committee would help to ensure the coherence of sector-wide policies. It will also be important for the Government to allocate sufficient resources to the Education Bureau to enhance its capacity to perform its role of overseeing the development of the entire post-secondary sector. We have identified many issues where greater government involvement and leadership would be beneficial: the development of a vertical CATS; quality assurance and the development of the Qualifications Framework; overall coherence of the nature and type of provision; internationalisation; international visibility; interaction with the Mainland; and an overall policy for the sector. These cannot be achieved without more dedicated resources.

Recommendation 39:

A coordinating committee comprising the chairpersons of the various oversight bodies in the post-secondary education sector should be established under the chairmanship of the Secretary for Education.

Recommendation 40:

The Education Bureau should be provided with appropriate and sufficient human/financial resources to allow it to fulfil an expanded role in overseeing the whole post-secondary sector.

NEED FOR A NEW BODY FOR THE PRIVATE SECTOR

9.5 The Education Bureau currently has no advisory committee to oversee the self-financed or private providers of degree and sub-degree programmes. This raises the question of whether or not there is a need for a body to advise on matters relating to the private sector.

9.6 Private providers are regulated through the requirement to register with the Education Bureau, and through accreditation by the HKCAAVQ in the case of providers who are not affiliated with self-accrediting UGC-funded institutions and offer programmes in which students may apply for financial assistance from the Government. These providers do not receive recurrent grants from the Government in the same way that UGC-funded institutions do, and it is understandable that the Government's regulation of the private sector does not go beyond the assurance of certain thresholds as stipulated in the registration and accreditation requirements.

9.7 However, the Government is investing more public money in this sector by expanding the student finance scheme, providing resources such as land for the private providers, and as announced in the Chief Executive's 2010 Policy Address, setting up a \$2.5 billion endowment fund for the sector. We thus consider there is a need for a body holistically to consider how those resources should be allocated to individual private providers. Related issues include the appropriate level of private provision at the sub-degree/degree levels, taking into account demand and the size of the publicly funded sector; appropriate ways (including possible funding) to promote aspects of provision deemed important by the body (*e.g.* quality, teaching development and internationalisation, *etc.*); and whether the types of the provision are in line with community demand. To summarise, the body that we have identified should take the form of a Committee on Private Post-secondary Education Providers to oversee the development of the private sector at a more macro level, and to consider the allocation of public resources to support individual private providers. These tasks will go beyond the attainment of registration and accreditation requirements, and should encompass all matters relating to the development of the private sector. We envisage that the Committee would comprise both local and overseas members, appointed in their individual capacities, and chosen to allow different perspectives and experiences to inform debate and decisions. It would be useful if there were cross membership with the UGC.

STATUS OF THE COMMITTEE FOR PRIVATE POST-SECONDARY EDUCATION PROVIDERS – STATUTORY OR OTHERWISE?

9.8 The UGC is a non-statutory body whereas the Vocational Training Council is governed by the Vocational Training Council Ordinance.

9.9 Legislation that gives statutory status to an organisation can stipulate clearly the governance, membership, function and finance of that organisation. This is necessary for publicly funded organisations offering educational or training programmes and administering examinations, such as the UGC-funded institutions and the Vocational Training Council. For bodies that are purely advisory and not directly involved in educational provision, the need for statutory status is not that apparent.

9.10 There might be doubts about the levers that the proposed Committee could use to regulate the private sector. Legislation might be necessary to fill the gap or provide the regulatory nexus between the oversight body and the private providers. However, self-financed degree conferring institutions and sub-degree providers generally have to fulfil the statutory requirements stipulated in the Post Secondary Colleges Ordinance (Cap. 320) and the Education Ordinance (Cap. 279), respectively, before they can register with the Education Bureau. Should the performance of individual providers become a concern, the Committee would advise the Education Bureau on the appropriate remedial action under the respective ordinance. This could be done without statutory status, though this will require the Committee to work closely with the Education Bureau on matters relating to the enforcement of the ordinances and to identify, where necessary, the need for legislative amendments to fill any gaps in the current legislation. The regulatory nexus between the proposed Committee and the private providers may be further enhanced by vesting it with the power or the responsibility to advise on the allocation of public resources such as land, start-up loans and *ad hoc* financial support to the private providers.

ROLE OF THE UGC

9.11 In our review, we took the opportunity to consider the UGC's fitness for purpose. Before discussing that in more depth, it is necessary to summarise the UGC's role and functions.

9.12 The UGC is appointed by the Chief Executive of the Hong Kong Special Administrative Region. It comprises accomplished local and overseas academics, higher education administrators and eminent community leaders who

are appointed in their personal capacities. The UGC's main function is to offer independent, impartial and expert advice to the Government on the funding and development of higher education in Hong Kong, and to provide assurance to the Government and the community on the standards and cost-effectiveness of the operations and activities of UGC-funded institutions. The UGC also acts as a "buffer" to protect academic freedom and institutional autonomy, while ensuring that the institutions are held socially responsible and that public money is well spent. In performing its functions, the UGC must both secure resources for its funded institutions and take into account the needs of the entire society in allocating public funds. Overseas members and local members with overseas experience have enriched the UGC with an international perspective, thereby assisting it and its funded institutions in grasping world trends and maintaining the international competitiveness of the institutions.

9.13 We consider that the current arrangements remain appropriate and that it would not make sense significantly to change the structure or functions of the UGC. During our consultations with stakeholders, we heard the view that the UGC played a useful role as an intermediary between its funded institutions and the Government, but stakeholders also wished that the UGC would focus more on macro and strategic issues. We accept this view as a constructive lightening of the regulatory burden on institutions. The UGC has been moving in this direction recently and should continue to do so. For instance, we have reviewed and streamlined the Notes on Procedures, which govern the UGC's relationship with the Government and its funded institutions and set out the major operational/procedural elements of the interplay between the three. The purpose of streamlining the long-established procedures is to relieve institutions of an unnecessary regulatory burden without compromising their accountability for the proper use of public resources. More importantly, we recommended in Chapter 7 the transition of the funding regime from input funding to one that focuses on output measures, with a view to enhancing the effectiveness of the funding regime and reducing the regulatory burden on the institutions. This new approach will help the UGC to focus more on strategic issues for the benefit of the higher education sector and the entire community

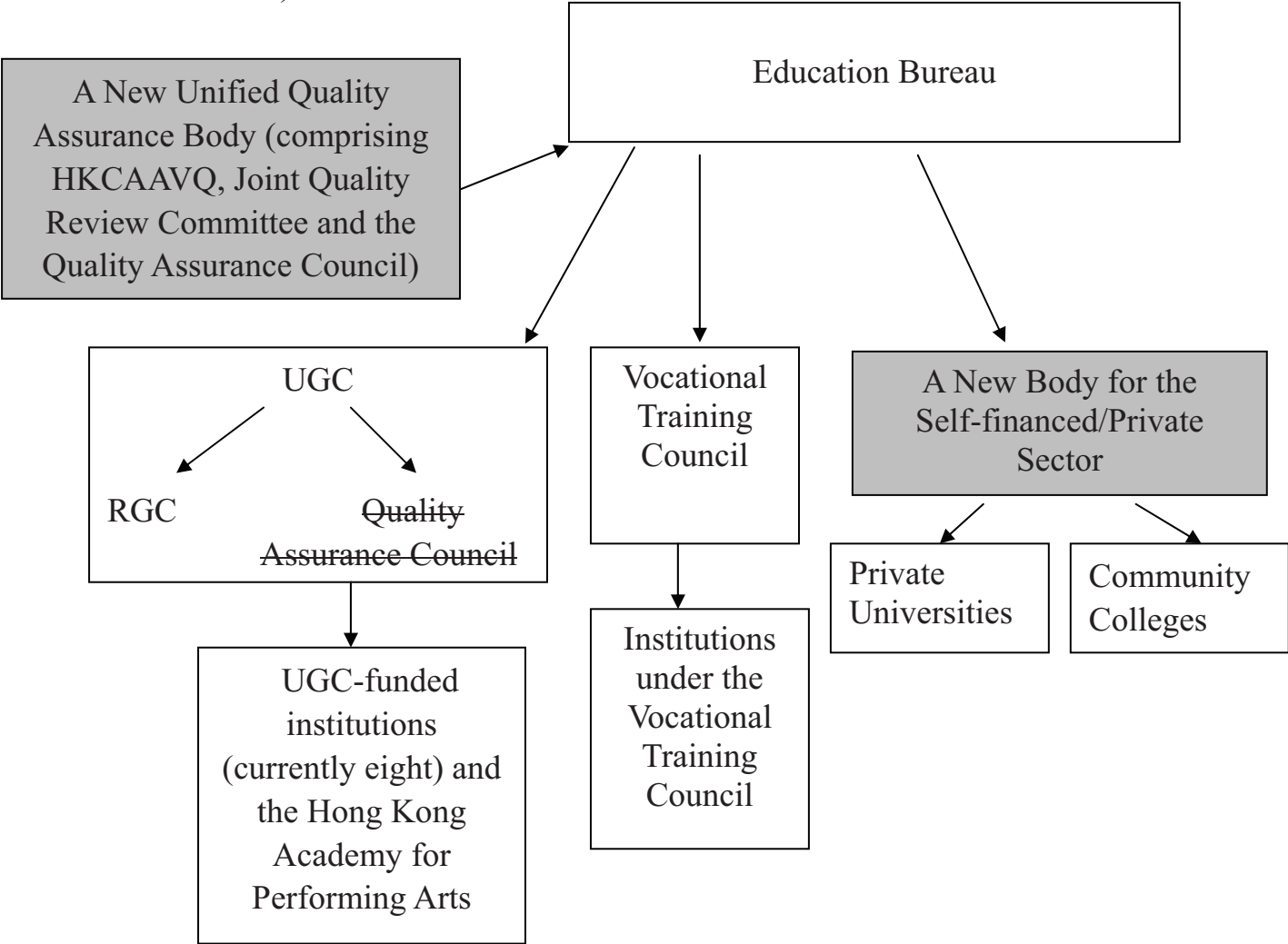
FUNDING FOR THE HONG KONG ACADEMY FOR PERFORMING ARTS

9.14 As argued throughout the report, it is both advisable and necessary to enhance coherence of the entire post-secondary sector. Even in the small sector of publicly funded degree-awarding institutions, there are two funding bodies: the UGC and the Government's Home Affairs Bureau, which is responsible for funding the Hong Kong Academy for Performing Arts. To

ensure consistency in the allocation of public resources in the publicly funded degree and above sector, it would be logical to entrust the UGC with the responsibility to oversee funding for the Academy. This arrangement would have the added benefit of facilitating cooperation between the Academy and the eight institutions currently funded by the UGC in a number of areas, such as teaching and experiential and out-of-classroom learning. We recognise the unique nature of the Academy, and foresee that if put under the UGC, our funding and oversight regime would be able to accommodate that and give appropriate assurance to the Academy.

STRUCTURE OF THE OVERSIGHT BODIES

9.15 With the establishment of a body overseeing the private sector, the structure of the various bodies regulating the post-secondary sector might take the following form (the shaded boxes denote those new bodies recommended to be established).



9.16 To ensure the cohesiveness of policies applicable to different components of the post-secondary sector, we recommend cross membership between the oversight bodies.

POSITION OF THE UNIFIED QUALITY ASSURANCE BODY

9.17 As recommended in Chapter 8, a new unified body to oversee the quality assurance of all post-secondary institutions/programmes should be established to rationalise the functions of the Quality Assurance Council, the HKCAAVQ and the Joint Quality Review Committee. In view of its wide remit, the new unified body should not report to any oversight bodies under the Education Bureau. Instead, it should submit its accreditation, review or audit reports to the Education Bureau, which would publish them to meet public expectations about the transparency of the quality assurance processes.
