

HONG KONG BAPTIST UNIVERSITY

UNIVERSITY ACCOUNTABILITY AGREEMENT 2025/26 – 2027/28 TRIENNIAL

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1. BACKGROUND, CONTEXT AND PURPOSE

1. The University Accountability Agreement (Agreement) is a formal agreement between Hong Kong Baptist University (HKBU) and the University Grants Committee (UGC) of Hong Kong. The Agreement is a collaborative instrument, unique to each of the eight UGC-funded universities, which signifies HKBU's duties and responsibilities throughout the 2025/26 to 2027/28 triennium (2025-28 triennium) for the public funding it receives from the UGC. It reflects the public aspiration that UGC-funded universities should shoulder accountability while pursuing academic excellence, as well as enables a transparent performance-based model for resources allocation.

2. This strategic dialogue leading to the introduction of the Agreement and its subsequent renewal is an important element in the action being taken by universities and by the UGC to strengthen the governance of publicly-funded higher education universities in Hong Kong. The Agreement reinforces the autonomous status of the universities by allowing them to articulate their individual missions, visions and strategic goals. The Agreement allows the UGC to be satisfied that the wider public interest is both recognised and met by HKBU as well as providing assurance through performance measures of a commitment to continuous quality improvement. For HKBU, the Agreement assures members of its governing body as well as its senior management, staff and students that the key elements of accountability are in place of the robust institutional governance which helps to justify HKBU's autonomy.

3. The Agreement reaffirms the funding to be provided to a university by the UGC, setting out those elements which collectively represent the single-line block grant from the UGC over the triennial funding period for the 2025/26 to 2027/28 triennium (2025-28 triennium). It also sets out any conditions attached to such funding, as well as being a reminder that all universities are required to follow the UGC Notes on Procedures (NoP) as well as other guidance and advice as promulgated and updated by the UGC from time to time.

4. HKBU agrees to submit its teaching, learning and related processes to regular quality audit through the aegis of the Quality Assurance Council as well as its research activity being assessed on a regular basis by the UGC. The Agreement is not intended to replicate or replace such exercises.

5. By signing this Agreement, HKBU affirms that all funds received from the UGC will be used solely for the purposes for which they are intended. Such funds are provided in the expectation that HKBU will seek to achieve value for money and be economical, efficient and effective in its use of public funds.

6. HKBU will submit annual reports to the UGC throughout the 2025-28 triennium. The annual reports will consist of a check on progress towards the objective, targets and outcomes as set out in various sections of this Agreement that serves as an ongoing dialogue between the UGC and the university. For transparency, the performance indicators under Section 4 of the Agreement will be published on the UGC's website.

7. It is expected that the process of dialogue leading to the joint acceptance of the Agreement will mean that universities and the UGC will keep to its terms, both in spirit and in the letter. Where a university fails to do so without the prior agreement of the UGC, the UGC may decide on appropriate action having regard to the merits of individual cases to ensure that HKBU is made aware of the potential consequences of it continuing to act in such a way.

8. The Agreement is signed by both HKBU and the UGC as a public affirmation of the commitment of both parties to confirming and enhancing the global reputation of Hong Kong's higher education sector as a provider and enabler of teaching, research and related activity of the highest quality, thereby yielding the greatest benefit to Hong Kong, our nation and the world.

2. KEY PRINCIPLES AND STRATEGIC DIRECTIONS

Key Principles

9. HKBU acknowledges that as a publicly-funded higher education institution, the university shall fulfil its public missions and aligns its development with the strategic priorities of Hong Kong. In doing so, HKBU will uphold the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the Basic Law), and ensure that its operations are in compliance with the laws in force in the Hong Kong Special Administrative Region.

10. The university will fully support the efforts in realising the vision of developing Hong Kong into an international hub for post-secondary education and high-calibre talents with reference to, among others, the 2024-2035 master plan on building China into a leading country in education. The university will strive to be innovative to tie in with the national strategy of invigorating the country through science and education, and grasp the development opportunities offered by the country's initiatives such as the Belt and Road and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to push forward with Hong Kong's education development.

11. The university will also contribute towards the relevant key performance indicators (KPIs) set by the Government from time to time. These include, among others, having around 35% and 60% of students in the UGC-funded universities pursuing programmes relating to STEAM disciplines and the “eight centres” respectively by the 2026/27 academic year.

Strategic Directions

12. HKBU acknowledges the six strategic directions which the Government has established for the 2025-28 triennium and accepts the continual responsibility to pursue and implement them throughout the triennium, namely –

- (a) Supporting Hong Kong’s integration into the overall development of the country and creating impetus for Hong Kong’s growth

The UGC-funded universities should be bold and innovative in their institutional visions that dovetail with the strategic development of our nation and Hong Kong over the longer horizon. They should proactively examine their strategies and priorities to seize opportunities for contributing towards Hong Kong’s integration into the overall development of our nation, particularly “invigorating China through science and education”, the National Five-year Plan, the GBA Development and the Belt and Road initiative. They should also strive to follow the advice and guidance of the Central Government on the future of Hong Kong, particularly in light of the “four musts” and “four proposals” and observe President Xi Jinping’s remark on creating strong impetus for Hong Kong’s growth and nurturing young talents for Hong Kong’s stability and prosperity.

- (b) Enriching whole-person development and character building

The education on the Constitution of the People's Republic of China, the Basic Law and the Hong Kong National Security Law, as well as learning activities on national and moral

education, and professional ethics, should continue to be strengthened as integral components of values education at our universities for nurturing future leaders with strong sense of integrity, law-abidingness, civic responsibility, work ethics and mutual respect in order to meet the highest professional standards and expectations of the community. Given the immense benefits of experiential learning towards facilitating whole-person development and broadening the horizons of our younger generation, they should be incorporated more prominently as a core component into the undergraduate curriculum and campus life.

(c) Developing Hong Kong into an international post-secondary education hub

With a number of the UGC-funded universities ranked within the world's top 100, Hong Kong is well positioned as an international post-secondary education hub. The universities should leverage on the initiatives announced by the Government to foster deeper internationalisation and wider diversification of Hong Kong's higher education through attracting more young talents with different nationalities, culture and background to Hong Kong, and provide our students with enriched learning opportunities in and outside of Hong Kong and exposure to diverse cultures. In particular, the universities should take conscious steps in enhancing support for incoming non-local students with diverse backgrounds and fostering their integration into the learning community. The UGC-funded universities should forge closer partnerships among themselves. In tandem, universities should strive to expand and deepen their global networks with different parts of the world by cherishing openness, inclusivity and diversity, thereby keeping our faculty members and students at the forefront of global development and enhancing our global standing. In addition, the UGC-funded universities are also encouraged to seize the opportunities arising from the development of the Northern Metropolis University Town by strengthening co-operation with renowned Mainland and overseas institutions, and creating synergy with the industry sector through sharing more resources and closer collaboration with industry partners.

(d) Nurturing talents for growth, transformation and future challenges

The Government's efforts to create a vibrant economy and caring community for our future hinges on the supply of high-quality manpower. The universities should rise to the challenges of a technology-driven and digital economy with its disruptive and transformative effects and ensure that their academic programmes and curriculum as well as research environment will produce the next generation of talents equipped not only with attitude, knowledge and skills for present-day needs, but also trans-disciplinary aptitude, future-readiness and employability in response to the changing societal needs for sustainable development. In doing so, individual UGC-funded universities should leverage on their differentiated roles and distinctive strengths such that our eight publicly-funded universities will collectively produce the fullest spectrum of talents for the competing demand from all facets of our vibrant society.

(e) Strengthening basic research capability and maximising impact

The universities should join hands in maintaining and further strengthening Hong Kong's basic research capability and achievements. At the same time, they should step up institutional support for applied and impactful research and knowledge sharing so as to maximise the impact and the social benefits of our research. The universities should also strengthen research collaboration among themselves, expand networks with the industries and the community, and create a culture and ambience conducive to the development of the economy and the society.

(f) Championing teaching excellence

The universities should continue to champion excellence in teaching and embrace pedagogical innovation through digital transformation, with emphasis on sharpening the core competencies of students (notably in language and communication skills), attending to the diversified learning needs and well-being of different groups, as well as promoting learning within or outside classrooms through exposure, immersion, internships and hands-on experiences.

Funding Framework

13. The UGC follows a triennial planning cycle for the allocation of recurrent grants to the eight UGC-funded universities. This is underpinned by the Planning Exercise, which allows the universities to examine their recent developments through reviewing existing programmes, introducing new ones and phasing out obsolete ones. The exercise involves two major components:

- i. obtain instructions from the Government on the overall policy directions and broad planning parameters for the triennium; and
- ii. on the basis of (i), consider the Planning Exercise Proposals (PEPs) submitted by the universities to make recommendations on the allocation of student numbers and recurrent grants to individual universities. The cycle usually starts two years before the commencement of each triennium.

14. The UGC considers that competition drives excellence. To ensure the efficient use of the precious publicly-funded student places, the UGC adopts the Competitive Allocation Mechanism under which each university is required to set aside a small portion of its non-manpower-planned first-year-first-degree (FYFD) intake places for redistribution in the context of the Planning Exercise. Universities are invited to submit their PEPs to facilitate assessment by the UGC. This process of preparing their PEPs creates an opportunity for universities to critically reflect on their overall strategies, distinctive roles and portfolio of academic programmes against policy priorities and community needs. The PEPs submitted by the universities are subject to rigorous assessment by the UGC against the following eight assessment criteria –

- i. Supporting Hong Kong's integration into the overall development of the country and creating impetus for Hong Kong's growth;
- ii. Nurturing talents for growth, transformation and future challenges;
- iii. Enriching whole-person development and character building;
- iv. Quality of student experience of teaching and learning;
- v. Research performance and research postgraduate experience;
- vi. Knowledge sharing and wider engagement;
- vii. Developing Hong Kong into an international hub for post-secondary education through enhancing internationalisation and engagement with the Mainland; and
- viii. Financial health, institutional social responsibilities and sustainability.

15. The recommendation on allocation of student places is conveyed to the universities to facilitate the universities' preparation of student load matrices and cost estimates. Upon completion of Recurrent Grants Assessment, the UGC submits its recommendations on the

allocation of student places and recurrent grants to the Government. With the approval from the Chief Executive-in-Council, universities are informed of their final funding allocation in the Allocation Letter from the UGC.

16. The Government and the UGC are committed to the principle of funding being allocated to the eight publicly-funded universities on a triennial basis, with that funding consisting of a single-line block grant to each university. This approach is an explicit recognition of their autonomous status. In the 2025-28 triennium, the Government has agreed to provide a total sum of recurrent grants of **HK\$4,097.5 million** (which is subject to adjustment by the Government) to HKBU in the form of a block grant of which HKBU may redeploy the resources internally to various units and activities in an appropriate manner.

17. That notwithstanding, UGC's recommendations are premised on the proposals, initiatives and programme offering as committed in the university's PEP, whereas the approved student number targets form a key basis for the determination of recurrent grants. As such, the PEP of the university is contractual in nature. HKBU accepts that it has a duty to be openly accountable for the proper stewardship of funds, irrespective of their source, and of other resources at its disposal. In particular, HKBU should ensure the provision of approved publicly-funded programmes and full utilisation of student places, while effective and efficient internal control mechanisms must be in place for the compliance of relevant conditions on the use of public funding and requirements for reporting, audit and assurance as prescribed in the PEP, the Allocation Letter, the UGC's NoP as well as other guidance and advice from the UGC from time to time. Some specific conditions are highlighted in the ensuing paragraphs.

Utilisation of Student Places

18. The UGC conducts regular enrolment and admission monitoring to ensure that the approved student number targets are delivered by HKBU as well as to enable the introduction of appropriate remedial measures in the event of significant deviations.

19. HKBU acknowledges that the full utilisation of student places and intake places is an obligation in return for receiving public funding which must be accountable and therefore subject to scrutiny by the Government and the public. The UGC understands that enrolment management involves factors such as student admission, market demand and individual student decisions which are often beyond the control of the universities and thus allows some flexibility on under-utilisation and over-utilisation as prescribed in the NoP or other advice from the UGC. The enrolment and admission monitoring is conducted by the UGC on both annual and triennial basis to ensure effective and realistic enrolment management of the universities.

20. HKBU accepts that the UGC reserves the right to claw back funding from the university or deduct the corresponding amount from any other planned or committed funding allocation to the university, if the UGC is of the opinion that enrolment management by the university is unsatisfactory in terms of significant over-utilisation beyond the permissible ceiling or under-utilisation below the tolerable floor. The university is responsible for undertaking all reasonable measures in response to unsatisfactory situation in order to safeguard the quality of teaching and learning as well as to ensure the efficient use of public funding. HKBU shall submit information on the enrolment situation through the annual submission of statistics in the Common Data Collection Format (CDCF) or at any suitable juncture.

Compatibility with “3-3-4” Academic Structure

21. HKBU acknowledges that Hong Kong adopts the “3-3-4” Academic Structure under which the normative study period for an undergraduate programme is four years, while certain programmes may have normative study periods of five or six years to ensure that the graduates are equipped with the necessary skills and competences. While institutional autonomy remains the core value of the higher education sector which the UGC cherishes and respects, HKBU will ensure that the academic programmes offered are formulated in a manner fully consistent with the overarching framework of the “3-3-4” Academic Structure. Also, whole-person development has all along been considered as an integral component of quality undergraduate education under the “3-3-4” Academic Structure and a curtailed study period will result in loss in such opportunities. In all circumstances, a university should not introduce any undergraduate programmes allowing for the awarding of a degree with a normative study period of less than four years. The normative study period of (i) double degree programmes and (ii) medicine (first degree programmes) and dentistry should accordingly be no less than five years and six years respectively. Universities should tender appropriate advice to the students to encourage suitable balance between academic studies as well as participation in extra-curricular and co-curricular activities for fulfilling the mission of promoting whole-person development.

Operation of Self-financing Sub-degree and Undergraduate Programmes

22. HKBU acknowledges that, as a matter of principle, UGC-funded universities generally should not operate any local self-financing sub-degree (i.e. Associate Degree and Higher Diploma) and undergraduate degree programmes. It is the Government’s policy that these self-financing programmes should be operated by separate legal entities registered under the Post Secondary Colleges Ordinance (Cap. 320), which will provide for a unified regulatory framework for the entire self-financing post-secondary education sector to promote coherence in quality assurance, governance, positioning, and overall co-ordination of the sector. Nevertheless, a limited number of such self-financing programmes may still be offered by the university proper for justifiable strategic reasons as an exception (including the additional years for the second degree within dual/double undergraduate degree programmes, and programmes offered in collaboration with non-local institutions). UGC-funded universities may also continue the prevailing practice of operating self-financing postgraduate and other certificate / diploma programmes that are not at the sub-degree or undergraduate degree levels.

3. INSTITUTIONAL MISSION AND VISION

23. For the UGC, it is important that the strategies adopted by universities are effective in enabling an institution to advance its mission through embracing role differentiation, enhancing its competitiveness, strengthening its ability to build its capacity, enabling collaboration and using the outcomes of exercises such as the 2020 Research Assessment Exercise as a key element in its future development.

Institutional Mission

24. HKBU is committed to academic excellence in teaching, research and service, and to the development of the whole person in all these endeavours built upon the heritage of Christian higher education.

Institutional Vision

25. To be a leading liberal arts university in Asia for the world delivering academic excellence in a caring, creative and global culture.

Strategic Priorities and Actions

26. The University's Institutional Strategic Plan 2018-2028 (ISP 2018-2028), approved by Council in 2017 lays the foundation for transformation and is underpinned by three strategic priorities that were subsequently refined in 2021 for a post-pandemic environment as follows:

- i. **Best Student Experience** – To prepare students for cultural understanding, global collaboration, leadership, service, and employment in an increasingly interdependent, intertwined world.
- ii. **Research Excellence** – To establish HKBU as a global university of impact and significance.
- iii. **Capacity Building** – To attract the most talented students and scholars to HKBU from around the world.

In 2023, during the midpoint of the 10-year ISP 2018-2028 period, the University conducted a review (hereafter called "Mid-term Review") to assess and monitor the progress made towards achieving the KPIs and consequently, the three strategic priorities outlined in the ISP 2018-2028. Based on the findings of the Mid-term Review and taking into consideration the *Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035* (14th Five-Year Plan) and the Chief Executive's Policy Addresses in 2021 and 2022, which dovetail with the 14th Five-Year Plan to create strong impetus for growth in the eight international centres/hubs in Hong Kong, the University has decided to incorporate knowledge transfer as the fourth strategic priority in the second phase of the ISP 2018-2028, i.e. from 2023 to 2028, in support of Hong Kong's development in these eight international centres/hubs:

- iv. **Knowledge Transfer** – To build a strategic platform to provide comprehensive support and to foster a vibrant ecosystem for faculty members and students across different disciplines to innovate and create for impact.

All four strategic priorities will place a particular emphasis on internationalisation, in alignment with the Chief Executive’s 2023 Policy Address to position Hong Kong as an international hub for post-secondary education. The University will also work relentlessly with other tertiary institutions to build the “Study in Hong Kong Brand” as specified in the Chief Executive’s 2024 Policy Address, with goal of admitting 40% non-local undergraduates by 2027/28 and attracting more international exchange students, including those from Belt and Road countries. By arranging overseas students to study in Beijing Normal-Hong Kong Baptist University in Zhuhai and undertake learning activities in the GBA, the University provides them with experiences in both systems on the Mainland and in Hong Kong.

27. Each of the strategic priorities will be realised through an array of different actions. The pursuit of **Best Student Experience** will be guided by:

- i. Attracting distinguished international scholars to augment our faculty strength and enhance our cross-cultural diversities, including expertise in emerging areas such as artificial intelligence (AI) and digital innovation;
- ii. Exploring new programmes and enhancing existing curriculum to strengthen students’ understanding of global, international, and regional issues; and their abilities to use technologies including AI to solve problems when being confronted with unprecedented and recurring global situations;
- iii. Refining overseas learning opportunities (e.g. exchange, community service, language enhancement, entrepreneurial training, well-integrated internship, international competitions, conferences and symposia) with a refreshed focus on a set of key countries and strategic partner universities for concerted institutional attention;
- iv. Providing students with choice in the learning mode, in addition to the subject, to suit their needs, aptitudes and aspirations;
- v. Strengthening self-directed and inquiry-based learning under guidance in our curriculum;
- vi. Improving our students’ communication skills and ability in English and Chinese, and other relevant languages; and
- vii. Vigorously implementing online teaching and learning and new delivery formats, such as mixed-mode and virtual practicum, to be used on-campus, online, and abroad, while leveraging platforms empowered by AI and other technologies to enhance learning engagement and efficiency.

28. Attaining **Research Excellence** will be achieved by:

- i. Focusing on a set of key countries and strategic partner universities for driving research excellence in particular areas for research student exchanges, research

- collaboration, research internships, and joint PhD / research programmes;
- ii. Developing international research partnerships for the best research experience for our research postgraduates, and to foster their highest research productivity and impact;
- iii. Synergising with selected research partners on major global challenges and contributing to the understanding of these global and regional problems and the formulation of solutions; and
- iv. Building HKBU as a global focal point in selected areas of research strengths and talent development, namely Creative Media/Practice, Health and Drug Discovery, Humanities and Cultures, and Data Analytics and AI in X, with impacts.

29. **Capacity Building** will be realised by:

- i. Building new programmes for attracting future leaders from abroad to HKBU;
- ii. Recruiting students of diverse talents and aspirations from designated regions, e.g. GBA, Association of Southeast Asian Nations, European Union, Africa, and others;
- iii. Aggressively recruiting faculty members from around the world as part of the Talent 100+ initiative;
- iv. Infusing internationalisation further into the HKBU culture;
- v. Telling the HKBU story to the world for wider global recognition of the University, and branding HKBU as an attractive destination for talented students and scholars from around the world; and
- vi. Building a fit-for-purpose digital infrastructure to support all the above strategies, with integrated capabilities for technology-enhanced teaching, learning, research, and institutional operations.

30. **Knowledge Transfer** will be achieved by:

- i. Establishing the Institute for Innovation, Translation and Policy Research (ITPR) to drive innovations, research and development, technology translation, and applications to enable HKBU to respond to the upcoming challenges and opportunities;
- ii. Synergising the functions of ITPR and Knowledge Transfer Office to provide all-round support from innovation, research, intellectual properties protection, technology demonstration and translation, commercialisation, entrepreneurship, through to policy research; and
- iii. Proactively engaging internal and external stakeholders and driving in the necessary resources to support the University to pioneer in knowledge transfer.

31. HKBU was selected by the Government as the contractor for the service deed of Hong Kong first Chinese Medicine Hospital, The Chinese Medicine Hospital of Hong Kong (CMHHK), in June 2021. The CMHHK is expected to commence its service in phases starting from late 2025. This major development is aligned with the key research area of Health, Chinese Medicine and Drug Research. As a pioneer of traditional Chinese medicine (TCM) research and education, and a leading provider of clinical services to the community via a

network of clinics, HKBU will continue to devote efforts to further promote the standardisation and internationalisation of TCM through the blending of AI and big data.

32. Considerable progress continues to be made on forging of cross-disciplinary and transdisciplinary research collaborations with the GBA, Belt and Road countries, as well as the global community to advocate TCM approach to disease prevention, treatment and wellbeing. The CMHHK will fortify HK's position as a hub for TCM clinical teaching, scientific research and drug development. Award of the tender enables HKBU to re-imagine a new healthcare model for the wider community that capitalises on TCM's focus of personalised care through integrative medicine, and positions HKBU on a firm footing to leverage the foundations and progress made to further promote the advancement of TCM worldwide, realising the CMHHK's dual role of being the "flagship" and "change driver" of Chinese medicine.

4. ACTIVITY DOMAINS AND PERFORMANCE INDICATORS

33. A regular review of universities' performance is an important element of sound governance. It allows a university to derive leverage from its strengths, while highlighting other areas where action on issues requiring attention might be taken to its longer-term advantage. It also allows a university to demonstrate in its key areas of activity that it has taken note of those elements which are important in the future development of higher education in Hong Kong. For the UGC, these activity domains are in particular important:

- Quality of student experience of teaching and learning
- Research strength and research postgraduate experience
- Sharing and transfer of knowledge and community engagement
- Enhanced internationalisation and engagement with the Mainland
- Financial health, institutional social responsibilities and sustainability

34. The higher education sector is a major asset for Hong Kong, benefitting from a major investment of public funds each year. Measuring the overall performance of the sector provides a measure of sector-wide performance for public information, as well as strengthening both the public profile and reputation of the sector and its overall value to the community. Measurement of performance helps ensure public confidence in universities through enhancing their accountability. Measurement also allows the higher education sector to demonstrate that individual institutions are committed to continuous quality improvement in their individual circumstances, as well as high standards of governance and educational practice.

35. HKBU acknowledges that the performance indicators as set out under this section, including both sector-wide performance measures (PMs) and institution-specific KPIs, will be adopted for the assessment of their PEPs and inform the allocation of student numbers in future. The performance indicators provide the necessary common basis for performance-based reallocation of resources across the UGC-funded sector. In other words, the university's performance across a range of measures will have a direct and material impact on its recommended allocation of student places and funding by the UGC. The dovetailing of the UAAs with the Planning Exercise reflects the principle that the university is accountable to the society for its performance and ensures the proper use of the funding received.

36. The data for the PMs is derived from existing institutional returns to the UGC as far as practicable, whether through CDCF returns or other statistical returns, or from audited sources such as a university's annual financial statements. Where other sources are used, these sources are acknowledged in the introduction to each performance indicator.

Quality of Student Experience of Teaching and Learning

37. The nurturing of high-calibre talents is a core mission of higher education institutions, and the extent to which a university succeed in achieving this objective lies in teaching excellence. The core components of the PMs in this activity domain are intended to demonstrate that a university has effective strategies in place to deliver improvements in the quality of educational experience of students, to enhance the effectiveness of the learning environment, to promote pedagogical innovation and to maximise student learning outcomes, particularly in relation to learning gain leading to employment or further study. PMs on student service learning and internship activities are also covered in this domain as they are significant form of experiential learning for real-life application of learning outcomes and whole-person

development. In addition, universities should continue to step up the support for students with special educational needs in the 2025-28 triennium and gauge effectiveness through ongoing monitoring of their satisfaction. The data for (1) and (4) under the sector-wide PMs below are derived from standard questions in student surveys. In light of the expectation for the UGC-funded sector to sharpen the language and communication skills of students, the university has also proposed relevant institution-specific KPI(s).

Sector-wide Performance Measures

- 1) (a) Undergraduate satisfaction with the quality and value gained from their teaching and learning experience
(b) Undergraduate satisfaction with their overall learning environment
- 2) Undergraduate employment success rate
- 3) Learning experience outside the classroom –
 - (a) Service learning activities; and
 - (b) Internships experience
- 4) Satisfaction of students with special educational needs

Institution-specific Key Performance Indicators

- 1) Students' assessment of faculty member effectiveness
- 2) Student awards
- 3) The % of undergraduates achieving a score of 6.5 or above on the International English Language Testing System or 79 on the Test of English as a Foreign Language Internet-based Test or above among those who take the tests before graduation
- 4) The % of local Cantonese-speaking undergraduates achieving the level of 3B or above on Putonghua Shuiping Ceshi among those who take the test before graduation

Research Strength and Research Postgraduate Experience

38. PMs in this domain are intended to illustrate that a university has strategies in place appropriate to its mission to encourage research and scholarly activities which seek to improve the quality and volume of research outputs. The measures take account of factors such as research impact, and measures in place to ensure positive learning experience and outcomes for research postgraduate students, including equipping them for careers appropriate to their specialism. The data for (3) under the sector-wide PMs below are derived from a standard question in research postgraduate student survey.

Sector-wide Performance Measures

- 1) Value of total research income
- 2) Graduation rate and employability of research postgraduates
- 3) Research postgraduate satisfaction with their overall experience

Institution-specific Key Performance Indicators

- 1) Percentage of publications in Q1 and Q2 journals, normalised by subject area
- 2) Research postgraduate student non-local learning experience
- 3) General Research Fund and Early Career Scheme market share

Sharing and Transfer of Knowledge and Community Engagement

39. The UGC encourages universities to share their knowledge with society as part of their institutional social responsibilities in order to bring about socio-economic benefits and impact to the community, as well as to cultivate public appreciation for the valuable contributions of the higher education sector to society as a whole. The UGC acknowledges that universities have, with regard to institutional needs, developed for various forms of knowledge sharing activities a unique data system, with a wide range of definitions for terms, calculation of quantitative indicators and interpretations for statistics. Given the diversity of knowledge sharing activities within the UGC-funded sector, we adopt a multi-pronged approach to measure universities' efforts and achievements in cultivating knowledge sharing culture and talents among students, engaging in knowledge sharing and in wider engagement with the community.

40. Knowledge sharing and community engagement are “discipline neutral”. They are different from the concept of technology transfer which places emphasis on the successful utilisation or monetisation of technological creation or scientific research output beyond educational purposes. The key is on the crossing of institutional boundaries into other sectors, especially the wider community, to realise the value of knowledge, whether tangible or intangible. Knowledge sharing and community engagement include the provision of research and business services, innovation and public engagement. For start-ups, quantitative data in terms of number or profits may not be truly reflective of their success as they have different forms of establishment and financial cycles. The universities are thus encouraged to supplement with qualitative information on this aspect by highlighting recent development and notable cases in their annual reports.

Sector-wide Performance Measures

- 1) Total income from knowledge transfer via the provision of research and business services (i.e. collaborative research, contract research, consultancies & Continuing Professional Development)
- 2) Income generating from intellectual property as defined in CDCF
- 3) Public engagement activities (e.g. public lectures, performance arts, exhibitions and others as defined in CDCF)
- 4) Student engagement in start-ups and entrepreneurship

Institution-specific Key Performance Indicators

- 1) Commercialisation rate of HKBU intellectual properties
- 2) Number of people attending community engagement events
- 3) Percentage of faculty staff engaged as members of external advisory boards including professional industry, government, statutory or non-statutory bodies

Enhanced Internationalisation and Engagement with the Mainland

41. In the 2023 Policy Address, the Chief Executive outlined his vision of developing Hong Kong into an international hub for post-secondary education. Such a vision was articulated in the 2024 Policy Address, which also highlighted various initiatives aimed at cultivating future talents and establishing the “Study in Hong Kong” brand. The UGC recognises that Hong

Kong has many distinct advantages that position it as an international education hub, particularly its appeal to international students. Hong Kong's competitive edge under the "One Country, Two Systems" framework, along with the highly internationalised and diverse nature of its higher education landscape, contributes significantly to this potential. Meanwhile, a number of our universities may also leverage their capacities in their cooperatively-run institutions in the Mainland for students to explore the Mainland while studying in Hong Kong. Together, these unique strengths help set us apart in the global competition for talent.

42. Internationalisation and engagement with the Mainland cover multiple dimensions. Among all, the UGC-funded sector should welcome more non-local students of diverse nationalities and cultural backgrounds. Exchange students also play a key role in enriching the multicultural learning environment on campus, while universities should also provide more opportunities for local students to acquire learning experience outside Hong Kong, especially in the GBA, to gain exposure and broaden their perspectives in a fulfilling and contextualised manner. Last but not least, research collaborations with institutions outside Hong Kong also renew our academic ties and interaction with scholars and researchers worldwide, thereby reinforcing our global presence and elevating our reputation in the global higher education landscape. The sector-wide PMs in this activity domain aim to capture these distinctive yet inter-related aspects of internationalisation and engagement with the Mainland to present a holistic picture of the relevant achievements of the universities.

Sector-wide Performance Measures

- 1) (a) Non-local students (in each of: undergraduate; taught postgraduate; research postgraduate) and its equivalent ratio relative to UGC-funded student places
(b) Non-local students (in each of: undergraduate; taught postgraduate; research postgraduate) broken down by regions (Asia, Europe, North America, South America, Oceania, Africa and others) and study levels
- 2) Outgoing and incoming exchange students broken down by regions (Asia, Europe, North America, South America, Oceania, Africa and others)
- 3) (a) Percentage of local undergraduate students with non-local university-approved formal or experiential learning experience
(b) Percentage of local undergraduate students with university-approved formal or experiential learning experience in the GBA
(c) Undergraduate satisfaction with non-local learning experiences
- 4) Active research collaboration with non-local institutions

43. For active research collaboration with non-local institutions, it is recognised that the quantitative information to be presented may not fully reflect the qualitative understanding of university performance, such as the depth and scope of the collaborations, as well as their impact on the university's internationalisation. Universities are encouraged to supplement such information in their UAA annual reports to highlight major collaborative projects with significant achievements and potential impact.

Institution-specific Key Performance Indicators

- 1) Collaborative teaching and learning with institutions outside Hong Kong
- 2) Proportion and diversity of non-local academic staff
- 3) Students' cultural knowledge

Financial Health, Institutional Social Responsibilities and Sustainability

44. While universities enjoy the autonomy to allocate recurrent funding and resources, they are expected to deliver the pivotal role as publicly-funded institutions to meet the societal needs and to nurture the future generations. Measures in this activity domain are, therefore, designed to illustrate their capacity to ensure the financial sustainability in the longer term, which is recognised as an advantage in attracting top-notched scholars and researchers from around the world to pursue their academic careers with the university.

45. Other than university's financial data demonstrating their financial health, the utilisation of student places is a key indicator of universities' fulfilment of their accountability for public funding. On the other hand, as academic institutions, universities have transcendental roles to play in championing social responsibility and overall sustainability for the betterment of the world for our future generations. The availability of scholarships and financial aids for students with financial needs manifests the belief that students should not be deprived of quality education due to economic circumstances, while the admission of students based on non-academic talents in areas such as sports, music and art speaks for the social value of universities as icons of diversity and openness. With the growing importance in environment, social and governance challenges, and in light of the shared goals of carbon neutrality and United Nations Sustainable Development Goals, this domain also covers environmental and social responsibilities of the universities as a key aspect of performance with relevant indicators as institution-specific KPIs.

Sector-wide Performance Measures

- 1) (a) Subventions from UGC as a percentage of total income
(b) Current ratio (i.e. current assets / current liabilities)
(c) Coverage of university's expenditure by reserves and cash & cash equivalents (defined by Hong Kong Financial Reporting Standards):
 - (i) Reserves / monthly expenditure = number of months that expenditure can be supported by reserves;
 - (ii) Liquid reserves / monthly expenditure = number of months that expenditure can be supported by liquid reserves; and
 - (iii) Cash & cash equivalents / monthly expenditure = number of months that expenditure can be supported by cash & cash equivalents
- 2) Overall student places utilisation rate
- 3) Scholarship and financial aid for students with financial needs funded by non-government funding
- 4) Number of students admitted to UGC-funded programmes at undergraduate level (in respect of the academic year covered in the report) on the basis of non-academic talents through direct admission schemes

Institution-specific Key Performance Indicators

- 1) Percentage of teaching, learning, research, and educational expenditures relative to total operating expenditures
- 2) Operating surplus as a percentage of overall income
- 3) Environmental performance index

- 4) Number of courses addressing at least one United Nations' Sustainable Development Goals

5. INSTITUTIONAL GOVERNANCE AND EFFECTIVE MANAGEMENT

46. The UGC recognises that institutional governance is manifested through distinctive organisational hierarchy, culture and personalities encapsulated within a complex fabric of legislation, guidelines and practices. Effective governance enables universities to fulfil their visions and missions and optimise resources, attract top-notch talent and develop first-class academic disciplines. By maintaining public trust, good governance also safeguards the autonomy of universities through instilling confidence among both internal and external stakeholders. Poor institutional governance, on the other hand, damages hard-earned reputation and eventually undermines the credibility of universities as public institutions. This is detrimental, if not fatal, to the UGC-funded universities, which are entrusted with tremendous public resources to perform their social functions in an autonomous manner premised on trust.

47. While there are multiple players in institutional governance, the supreme governing body (i.e. university council) assumes the pivotal role in collaboration with the senior management of the university, led by the President, in day-to-day governance and management. To quote the UGC's Report entitled Governance in UGC-funded Higher Education Institutions in Hong Kong (Governance Report), "The governing body is responsible for oversight of the institution's activities, determining its future direction and fostering an environment in which the institutional mission is achieved and the potential of all learners is maximised". University councils are responsible for reviewing the directions, strategies and major decisions pertaining to university development and institutional growth. They comprise internal and external members from diverse backgrounds and professions, representing different stakeholders and being accountable to the community for monitoring, promoting and supporting the development of universities. Furthermore, they play a bridging role between universities and different stakeholders, conveying society's expectations and requirements to university management and staff, and ensuring that universities operate effectively in line with their missions.

48. Improper discharge of duties by university leaders (which include the chairman and all members of the university council as well as the president and other members of the senior management) not only impairs the development of institutions but also erodes public confidence in university governance, thereby undermining the foundation of universities. Against a backdrop of intense global competition, to progress slowly is to fall behind; even the slightest division and internal rift could cause irreparable damage to our universities. Institutional governance has withstood numerous challenges over years, and it has been proven in practice that as long as university leaders stay united and committed to fulfilling their respective responsibilities, they will be able to find common ground and reconcile differences. By doing so, university leaders can enhance the quality of our universities and position them at the forefront of the global trends, thereby making a greater contribution to building a prosperous Hong Kong and achieving the rejuvenation of the Chinese nation.

49. All university leaders have the duty to fulfil their role in institutional governance and foster the healthy development of institutions. HKBU acknowledges that every university leader shall, individually and collectively, embrace the spirit of accountability and work collaboratively in the following three aspects to enhance institutional governance and effective management.

Improving Governance Regime

Accountability

50. Article 137 of the Basic Law states that “educational institutions of all kinds may retain their autonomy and enjoy academic freedom”. Universities enjoy autonomy in academic and management matters, including curriculum design, academic standards, admission criteria, degree conferral, staff appointments as well as internal resource allocation. A high degree of institutional autonomy is built on a high level of trust of the community in university governance. To win the trust of the public and stakeholders both within and outside institutions, it is essential for every university leader to demonstrate unwavering dedication and full accountability, and for institutions to practise good governance.

Diversity

51. Great diversity is a prominent feature of Hong Kong’s higher education, as evident in the presence of a diverse talent pool, cultural exchanges and interactions, and more importantly, the establishment of institutional governance systems. The UGC-funded universities in Hong Kong have formulated their own governing regulations with regard to their respective backgrounds and goals. This ensures that the operation of the universities is in line with their backgrounds, goals, visions and missions, catering to the diverse learning needs of students and effectively meeting the expectations of society.

Evolvement of institutional governance frameworks

52. Institutional governance is in fact an ever-evolving challenge. As the world undergoes profound changes unprecedented in a century, universities have to find their footing in the great rejuvenation of the Chinese nation for institutional development by keeping in mind the country’s priorities as well as demonstrating firm commitment and adeptness at execution. Quite a number of institutions have taken steps, in light of actual circumstances, to continuously enhance their governance by, *inter alia*, initiating amendments to outdated provisions, streamlining council structure and recruiting more community personalities. This embodiment of accountability and autonomy in pursuit of excellence has earned public and social recognition. Improving governance systems is part and parcel of sustainable institutional development. It is the responsibility of university councils to continuously review, consolidate, enhance, and even reform their institutional governance frameworks to ensure effective governance, and for the president and senior management to contribute towards such endeavours.

Implementation of UGC’s Governance Report

53. In addition, in the UGC’s Governance Report, institutions are encouraged to refer to the proposed principle, draw from international and local good practices, and conduct timely reviews of their governance in order to stay up-to-date. HKBU will continue to strengthen institutional governance in terms of (i) recruitment, induction and continuing professional development of council members; (ii) institutional strategy; (iii) management of risk; (iv) delegation of authority and (v) periodic review of governance arrangements with reference to the aforesaid report.

Optimising Governance Capabilities

University councils

54. University councils are statutory governing entities with leadership roles and responsibilities. As the supreme governing and executive bodies of institutions, they have the authority to make decisions on matters such as the overall direction, strategies, personnel appointments and financial management of the institutions, and their governance capabilities directly impact the development of universities. The governance of an institution rides on the concerted efforts of its leaders and team members. To achieve good governance, the council chairman and members should demonstrate solidarity in fulfilling their leadership roles by assuming primary responsibilities and discharging duties earnestly and impartially.

Council members

55. Council members are distinguished individuals in their respective fields. Dedicated and committed to serving the community, they assume public offices to contribute their expertise and professional knowledge to driving institutional development. In addition to participating actively in council meetings, council members should make conscientious efforts outside of the meetings to delve into the history, goals and directions of the institutions' development as well as the difficulties and challenges encountered. Furthermore, they should collaborate with university leadership teams and various stakeholders to proactively care for and support university development, and optimise the governance capabilities of university councils with their professional knowledge.

Senior management

56. The senior management, led by the President, is responsible for the management of the institution, both internally and externally, such that its mission is achieved and it benefits from teaching, learning and research of the highest quality. The senior management should not seek to determine those matters which are properly the concern of the governing body. Equally, the university council should not become involved in the day-to-day executive management of the institution. Indeed, clear understanding and mutual respect for their respective roles are critical to successful and constructive institutional governance.

Seek common ground and accommodate differences

57. University leaders should stand united by listening to different perspectives without bias, manifesting competence to collaborate, and resolving issues through enhanced communication, exchange of ideas, understanding, support and leniency to people, words and deeds. In a complex and ever-changing international environment, university leaders should bear in mind that "Harmony brings good fortune, while discord leads to misfortune." As the saying goes, "Success comes to those who share in one purpose". Applied in the context of institutional governance, it means that university leaders should seek common ground and accommodate differences with open-mindedness and inclusivity in order to make collaborative contributions to institutional development.

Resolving divergence and conflicts

58. The university council and senior management should enhance communication to foster mutual understanding and respect, thereby facilitating collaborative work while maintaining clear delineation of responsibilities. Should there be persistent and severe divergence or conflicts in the stance between the university council and senior management on major issues that may damage governance capabilities, both sides should make the best endeavour to resolve the differences in the sincerest manner with due respect for the roles and responsibilities assumed by the council and the management. HKBU acknowledges that the Government and the UGC reserves the right to investigate and study relevant aspects with a view to facilitating the internal operational affairs of the university in the interest of the institution or the higher education sector as a whole, and that the university, as well as all university leaders, pledge to render full cooperation under such circumstances.

Enhancing Governance Efficacy

Alignment with policy objective

59. The governance efficacy of institutions is reflected in the achievement of their education aims and the effective use of resources. The Government has expressed the vision of building Hong Kong into an international hub for post-secondary education and high-calibre talents. By motivating universities to expand their capacity and enhance their quality, we can attract students from around the world to pursue their studies in Hong Kong, creating a more diverse higher education landscape. With strengthened governance efficacy of institutions, we will in turn create a stronger impetus for Hong Kong's development.

Financial governance

60. The UGC-funded universities receive a huge amount of public funding every year. It is thus imperative for the universities to put in place an effective system of accountability to ensure the proper use of public funds. On the enhancement of governance efficacy, financial management is undoubtedly important, but what holds greater significance is how universities utilise their limited resources to achieve positive outcomes in teaching, research and fulfilling social responsibilities in response to societal expectations.

Institutional development

61. Most importantly, university leaders must plan and take forward institutional development from a macro perspective. While competing for progress, they should actively promote inter-institution collaboration and transdisciplinary interactions, thereby achieving synergy to confront the global competition for talent and technological advantage as well as the challenge of advancing human civilisation and moral values. The enhancement of institutional governance efficacy will ultimately lead to the delivery of desired outcomes.

Regional cooperation

62. Regional cooperation between Hong Kong's universities and their Mainland counterparts in the running of institutions in the GBA will shape the new landscape of higher education in the next few years. The strategies, visions and governance arrangements for these new cooperatively-run institutions will continue to have immense impacts on institutional

development of the university in Hong Kong. HKBU acknowledges the need to put in place a robust governance arrangement for regional cooperation initiatives, including but not limited to the development and operation of the cooperatively-run institutions as well as the associated teaching and learning activities and research collaboration, etc., to ensure strong leadership and effective oversight by the university as appropriate.

6. FUNDING ALLOCATION AND FINANCIAL GOVERNANCE

Funding Allocation

63. The amount of the block grant to the UGC-funded sector as a whole comprises three elements, with the Teaching Portion accounting for about 78%, the Research Portion accounting for about 20%, and the Professional Activity Portion accounting for about 2% when both the “existing pot of money” and the “new pot of money” for the first year of undergraduate studies under the “3-3-4” Academic Structure are taken together. As set out in the Allocation Letter on the recurrent grants for the 2025-28 Triennium, the recurrent grants to be provided to HKBU in the form of block grants during the 2025-28 triennium will be **HK\$4,097.5 million**. This figure is indicative, which may be adjusted when actual competition results on the allocation of the research postgraduate student places and Research Grants Council projects are available. It is also subject to adjustment by the Government.

64. The determination of the amount of the block grant to HKBU is primarily made on the basis of the student number targets approved by the Government as follows –

Approved Student Number Targets@ (in fte terms) for the 2025-28 Triennium

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
Sub-degree	-	-	-
Undergraduate	6 189	6 154	6 167
- FYFD (intake places)	1 135	1 135	1 135
- Senior Year (intake places)	790	790	790
- Others (intake places)	-	-	-
Taught Postgraduate	43	-	-
Research Postgraduate#	255	255	255

@ Approved Student Number Targets are student places unless specified.

Provisional Figures of the allocation of 3 907 student places within the total number of 7 200 under the Planning Exercise for the 2025-28 triennium.

Other UGC Funding

65. There are circumstances where the formula-based funding model cannot address all the various needs of the universities. As such, the UGC has made provision for specific requirements in each planning cycle, such as the funding to be allocated for Areas of Excellence Scheme, Earmarked Research Grants and the Teaching Development and Language Enhancement Grant, which should only be used for the specified purposes and in accordance with the arrangements as promulgated by the UGC.

Funding Adjustment

66. HKBU acknowledges that the Government and/or the UGC reserve the right to adjust the amount of recurrent funding for HKBU should the Government and/or the UGC consider there to be serious circumstances that warrant the Government and/or the UGC to do so. Examples of such serious circumstances include major deficiency in institutional governance or management of the public funding for which HKBU is accountable for, significant failure to fulfil the obligations as stipulated in this Agreement, serious contravention with relevant

conditions of funding as specified in the UGC NoPs, the Allocation Letter and other formal advice from the UGC, unsatisfactory outcome from enrolment and admission monitoring exercises and/or significant movement of student numbers from programmes with higher relative cost weightings (RCWs) to lower RCWs without acceptable explanations, as well as breach of the laws in force in the Hong Kong Special Administrative Region. The UGC NoPs also set out various other situations which necessitate the adjustment of funding from HKBU.

67. In addition to the above, HKBU recognises that the Government may conduct a review of the amount of recurrent grant within the 2025-28 triennium and make adjustments as appropriate. Any changes in the tuition fee level for students eligible for UGC-funded student places will also lead to corresponding reduction in the amount of recurrent grant to be adjusted by the UGC.

68. HKBU accepts that the adjustment of recurrent grant may take the form of the return of disbursed funding to the Government, as well as by the suspension, deferral, variation or revocation of the amount to be disbursed to HKBU as deemed fit by the Government and/or the UGC, and agrees to comply with such demands or be bound by such decisions.

Financial Governance

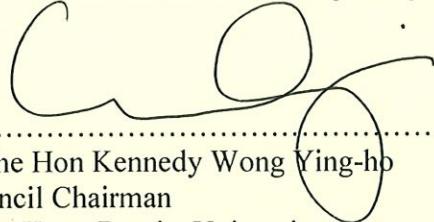
69. The public funding for all UGC-funded universities involves substantial amount of public resources. There is clear aspiration from the community that universities will assume full accountability for the use of funding and uphold the highest standard of financial governance. HKBU agrees to adhere to the latest requirements on financial governance as set out by the UGC vide the letters on various topical issues and issue of guidelines, including, but not limited to –

- i. Statement of Recommended Practice for the UGC-Funded universities (“the SORP”) – The SORP reflects both the accounting practices and disclosures as set out in the prevailing Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and those recommended in UGC’s Financial Affairs Working Group Report for use by the universities in the preparation of their financial statements and Annual Reports; and
- ii. Cost Allocation Guidelines for UGC-funded and non-UGC-funded Activities (“the Guidelines”) – The Guidelines provide a set of guidance for universities to ensure that there is no cross-subsidisation of UGC resources to non-UGC-funded activities. The Guidelines represent the basic features that each university should demonstrate in their cost allocation models, and serve as inputs to the design and implementation of their cost allocation mechanisms.

7. FORMAL AGREEMENT

70. This University Accountability Agreement represents a formal agreement between Hong Kong Baptist University and the University Grants Committee.

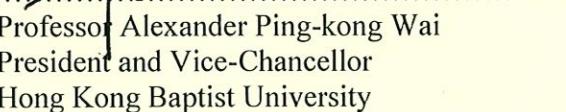
Signed for and on behalf of Hong Kong Baptist University by



Dr the Hon Kennedy Wong Ying-ho
Council Chairman
Hong Kong Baptist University

26 JUN 2025

Date


Professor Alexander Ping-kong Wai
President and Vice-Chancellor
Hong Kong Baptist University

26 JUN 2025

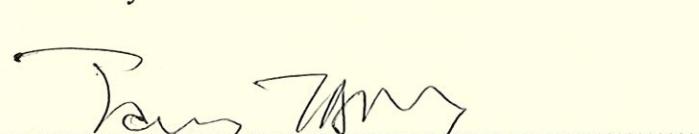
Date

Signed for and on behalf of the University Grants Committee by


Mr Tim Lui
Chairman
University Grants Committee

23 JUN 2025

Date


Professor James Tang
Secretary-General
University Grants Committee

23 JUN 2025

Date