

IN THE MATTER OF THE COMMISSION OF INQUIRY
ON ALLEGATIONS RELATING TO
THE HONG KONG INSTITUTE OF EDUCATION

FURTHER STATEMENT OF DR. LEUNG KWOK-FAI, THOMAS
DATED 26TH APRIL 2007

Response to Ms. Katherine Ma's 3rd Statement

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1. The Council Retreat agenda was drawn up in collaboration with Prof Morris, with the aim of encouraging an open exchange of views relating to the future direction of the Institute as well as the preferred way forward on collaboration with other institutions. My recollection was that Prof Morris was reluctant at first to hold the Retreat. However, once it was decided, there was little argument or difference in opinion between myself and Prof Morris about the agenda or the format of the Retreat. I also suggested to Prof Morris that we should invite not just Council Members, but also senior academics, non-academic department heads as well as student representatives, to ensure we have all the key stakeholders present.

2. I volunteered acting as the facilitator of the 1st Retreat. My professional background has been in management consultancy with over 20 years' of experience working with clients on strategic retreats and workshops (we actually call it 'Critical Dialogue' or 'Critical Conversation' in our parlance). My thinking at the time was that I could bring to bear my professional experience to help the participants engage each other constructively in the discussion. Prof Morris agreed to this arrangement.

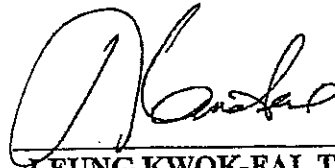
3. In my opening address, I emphasized the need for open-mindedness and also for 'out-of-the-box thinking'. I also encouraged everyone to participate wholeheartedly and actively. All ideas were welcomed and should not be discouraged. I then went on to provide a brief overview of how I saw the situation of the Institute, in terms of its strengths and limitations (e.g. primary teacher training vs secondary teacher training). I also explained the bigger picture to the participants, in particular the projected decline in student numbers and our worsening financial situation. I believe I also remarked about the possibility of declining competitiveness for the Institute. In this context, I used the term 'death by a thousand cuts' to highlight the scenario I could see happening in the future for the Institute. Also one of the comments I made was that we needed to re-examine our 'business model', so as to avoid the pitfalls and capture emerging opportunities.
4. In management consultant parlance, re-examining the 'business model' means taking a critical look at our products/services, our target customers, market trends, our core competence and capability to meet emerging market needs, the threat from our competitors, the need to take a new approach to the market, and so on. I believe one could easily draw parallels between such concepts with what the Institute was facing, i.e. our programmes, students or potential students, core competence, academic specialization, other universities as competitors, etc.
5. The AM session was designed to provide a full spectrum of relevant information by various speakers. These speakers were agreed with Prof Morris and each of them presented on a different topic (financial picture, current strategic plan, etc).
6. In the PM session, participants formed four small groups to discuss how they perceived our future and the way forward in pursuing collaboration with other institutions. I do not recall how the grouping was decided, but it was most likely to have been suggested by Prof Morris in consultation with Mr. Norman Ngai, the then VP-Administration.

7. By choice, I did not join any of the groups, as I wished to let the groups conduct their own discussion without myself, as Council Chairman, being present and influencing their views. At the end of the Retreat, the groups reported back the outcome of their discussion. My recollection was that they had engaged in active discussion, sharing their views on the issues, with some consensus emerging, but not a clear decision yet. We then closed the Retreat by deciding to hold another session to arrive at a final decision and recommendation to the Council.
8. In June, the 2nd Retreat was held and lasted only the morning. For this follow-up Retreat, I asked Prof. Morris to act as the facilitator, as I wished to maintain a low profile to give participants as much space to reach a conclusion as possible. During the 2nd Retreat, I did not make any presentations, but just let Prof. Morris steer the discussion. The final outcome of the 2nd Retreat was to reject full merger, but support going forward with affiliation, deep collaboration and federation. The participants also outlined certain conditions to go forward. These largely centred on maintaining a high degree of autonomy in governance, finance, management, and academic development.
9. The Report of the Retreat was subsequently endorsed by the Council in its meeting on June 21, 2004. Further, the Council authorized the further exploration of the feasibility and form of collaboration with other institutions, to be carried out by the Focus Group on Long Term Role and Positioning (of which I was also the Chairman).
10. My intention for the Council Retreat was to obtain consensus from all the key internal stakeholders on the way forward regarding our future development and collaboration with other institutions. I had no intention of pushing for 'merger' as the preferred option, nor did I act in a way to encourage participants to adopt 'merger' as the preferred option. I was very satisfied with the process and the way participants contributed to the discussion and jointly made their decision. Although I did not play an active role in shaping the final outcome, I was generally very happy

with it and thought it to be pragmatic and responsible, and at the same time forward-looking. Following the two Retreats, I had not heard any negative comments regarding how it was conducted from any of the participants.

11. I confirm that the matters stated above are true to the best of my recollection and belief.

Dated the 26th day of April 2007.



LEUNG KWOK-FAI, THOMAS