

**IN THE MATTER OF THE COMMISSION OF INQUIRY  
ON ALLEGATIONS OF IMPROPER INTERFERENCE  
WITH ACADEMIC FREEDOM  
AND INSTITUTIONAL AUTONOMY  
AT THE HONG KONG INSTITUTE OF EDUCATION**

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**STATEMENT OF DR. LEUNG KWOK-FAI, THOMAS**

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I, Leung Kwok Fai, Thomas, c/o the Hong Kong Institute of Education, 10 Lo Ping Road, Tai Po, New Territories, Hong Kong DO SAY as follows:-

1. I am the Council Chairman of the Hong Kong Institute of Education ("**the Institute**"), and I have been holding this position since April 2003. Prior to this, I was the Deputy Chairman of the Institute from April 1994 to April 2002. I have been a member of the Council from April 1994 up to present.
  
2. I make this witness statement on behalf of the Institute in relation to matters relevant to the terms of reference ("**the Terms of Reference**") of the Commission of Inquiry. In this witness statement, I propose to give an account of the Institute's position on institutional integration with other University Grants Committee ("**UGC**")-funded institutions. I will also describe my involvement in the incidents mentioned by Prof. Bernard Luk ("**Prof. Luk**") in his undated letter ("**the Letter**"), which was referred to in the Terms of Reference.

## **Institutional Integration with Other UGC-Funded Institutions**

### *(i) The Sutherland Report*

3. In March 2002, the UGC published a report on a review on the future development of higher education in Hong Kong. The review was led by Lord Sutherland, and he was advised by a Steering Committee of which I was a member. The outcome of the consultations and deliberations by the Steering Committee was encapsulated in a report, which I will refer to as the Sutherland Report. Amongst other things, the Sutherland Report mentioned that strategic collaborations would be an essential part of shaping the future of higher education in Hong Kong. Specifically, the Institute was identified and encouraged to develop collaborative links in Hong Kong to stimulate advances both in diversification of types of teacher education programmes and in broadening the range of subject or discipline based teaching than could be provided by the Institute alone. (See pages 43-44 of the Sutherland Report).

### *(ii) The Institute's Initial Response On Merger*

4. On 25th June 2002, the Institute's management published a discussion paper titled "The Question of a Merger of the HKIED with a Comprehensive University: An Initial Response", and this is now produced and shown to me and marked as exhibit "LKFT-1".
5. This paper was prepared in response to the view reported earlier in the media that Hong Kong would benefit if the eight UGC-funded institutions were reduced in number through mergers, and specifically that the Institute should merge with a comprehensive university. The view referred to was attributed to Prof. Arthur Li when he was still the Vice Chancellor of The Chinese University of Hong Kong ("CUHK"). The Institute's response in this paper was that mergers of higher education institutions would rarely achieve their goals and would waste a great deal of resources in the process. This paper also stated that the existence of the Institute as an institution dedicated to the education and training of teachers would most effectively allow the Government to achieve its goals of upgrading the quality of schooling and of creating a professional teaching force. It also represented the most efficient way to ensure an appropriate supply of trained teachers for Hong Kong.

6. This paper was considered and deliberated in a meeting of the Institute's Council on 27th June 2002. At the time, Council agreed that it would be of the utmost importance for it to ensure that the Institute's mission and values would not be diluted or compromised under any form of merger, and that resources intended for teacher education should be protected. It was also agreed by Council that its then Chairman, Mr. Simon Ip JP, should contact Prof. Arthur Li, the new Secretary for Education and Manpower ("the SEM"), for an exchange of views. If necessary, a special Council meeting might be held for members to discuss the issue with the SEM more thoroughly. A copy of the minutes regarding the Council meeting held on 27th June 2002 is now produced and shown to me as "LKFT- 2".

*(iii) Visit by the SEM*

7. At the Council meeting on 12th September 2002 (which I was unable to attend), I understand the Chairman (Mr. Simon Ip JP) reported that the SEM had offered to attend a future Council meeting to explain to Council members the rationale behind his proposal that the Institute should merge with CUHK. As neither the Chairman nor the Institute had received any formal proposal from the Government in relation to the merger issue, in the absence of any clear and concrete policy objective from the Government, it was felt that Council would not be in a position to comment on the issue. After some deliberation, the Council decided to accept the SEM's offer on the understanding that the Council would listen and ask questions, but would not make any definitive response to the issue during the meeting.
8. According to the records of the Institute, on 28th November 2002, the SEM attended Council's meeting to share with Council members his views on the role of the Institute in the context of the Government's education policy and the recent higher education review as encapsulated in the Sutherland Report. I was not present at this meeting, but there is now produced and shown to me and marked as exhibit "LKFT- 3" a true copy of the Minutes of Council meeting held on 28th November 2002, which recorded the views expressed by the SEM on institution collaborations. The points in paragraph 1(a)(iv), (v), (vi), (viii), (ix), (x) and (xii) were particularly relevant as representing the thinking of the SEM at the time. In the same meeting, it was agreed by Council that the Institute should give consideration to forming a task force to consider the future development of the Institute. It was also agreed that the Council

Officers and the President (i.e. Prof. Paul Morris (“**Prof. Morris**”)) should work out the terms of reference and membership of such a task force for Council’s approval.

*(iv) Establishment of a Task Force on the Future Development of the Institute*

9. In December 2002, the Institute’s Council approved, by way of circulation, the establishment of the “Task Force on the Future Development of HKIEd (“**the Task Force**”). The terms of reference of the Task Force is now produced and shown to me and marked as exhibit “LKFT-4”. The Task Force held its first meeting on 24th February 2003 to examine the various challenges and contextual changes in the environment in which the Institute was or would be operating. The Task Force established three focus groups, namely, (i) a focus group on long term role and positioning, (ii) a focus group on resources and (iii) a focus group on institute governance, to look respectively into specific issues. I was co-opted to join the Task Force as a member in August 2003. Upon the departure of Mr. Anthony Wu from the Council in September 2003, I was asked to and did replace him as Chairman of the Focus Group on Long Term Role and Positioning.
10. The Task Force subsequently produced a report to Council with recommendations on the future development of the Institute. I will deal with this matter in paragraphs 19 to 21 below.

*(v) UGC Report On Role Differentiation Amongst Institutions*

11. In or around the time when the Task Force was considering the future development of the Institute, the UGC published a report in January 2004 titled “Hong Kong Higher Education; To Make a Difference; To Move with the Times”. This report basically articulated the thinking of the UGC on the direction it proposed to take in advising the Government and steering the higher education sector in respect of role differentiation among institutions and achieving international competitiveness.
12. At page 10 of the report, the UGC specifically stated that it wished to see more active and deep collaboration among institutions, which should aim to achieve the following:
  - (i) enhancing the breadth and depth of teaching quality in the academic disciplines to enable a richer and more diverse subject menu to be offered to students;

- (ii) developing the critical mass required to create centres of research capable of competing at the internationally competitive level; and
- (iii) creating substantial efficiencies, particularly in the non academic areas, and hence extra capacity for other pursuits appropriate to roles.

The UGC's view was that there should be more effective and efficient management of resources through collaboration whenever it was of value. In this regard, the UGC proposed to introduce performance and role related funding into the UGC funding methodology for 2005 - 2008 triennium.

#### **Meeting with the SEM on 23rd February 2004**

13. In my capacity as Chairman of the Institute, I initiated a meeting with the SEM for myself, Prof Morris and Prof. Bernard Luk ("**Prof Luk**") to discuss with him matters concerning the Institute. The meeting took place in the SEM's office on 23rd February 2004. The primary purpose of the meeting was to exchange views on the Institute's development and secure funding from the Government to support its development.
14. The meeting with the SEM began with an exchange of views on the current state of development of the Institute. All present concurred that the Institute had made significant strides since its early days. We also acknowledged that the Institute enjoyed a strong position in primary and early childhood teacher training, viz-a-viz other tertiary providers. On the other hand, the Institute was not able to achieve a similar position in secondary school teacher training, due to insufficient depth in subject disciplines. This had limited the Institute in garnering a higher proportion of funding for teacher training in this sector.
15. At the meeting, the SEM re-assured us that the Government would support the continued development of the Institute, so that it could make a greater contribution to teacher education in Hong Kong. However, he shared with us that according to the Government's projection, there would be a decline in school age children coming onto the educational system in the coming years, thereby resulting in a reduced need for teachers. The discussion then shifted to the ways by which the Institute could enhance its capability in the secondary school sector and thereby achieve an overall stronger position in teacher training for schools. Noting the limitations in the Institute's

growth potential, closer collaboration with other universities, including merger, was discussed as an option for the Institute to consider.

16. The SEM opined that he was open-minded about the different forms of integration with universities. He further opined that the Institute should adopt a more open and progressive stance and that the options might even include the Institute absorbing the education faculties of other universities to create a centre of excellence of teacher educators. However, he stressed that this would be entirely up to the Institute to negotiate with other universities, such as CUHK, the University of Hong Kong (“HKU”), the Hong Kong University of Science and Technology and the Hong Kong Baptist University.
17. We then pressed the SEM about his support for the Institute receiving additional funding to finance new programmes and provide continuity of employment for the Institute’s staff. In response to this, the SEM expressed his willingness to consider providing additional funding, subject to the proposal being deemed to be in the public’s interest.
18. The meeting was an informal exchange of views on the future development of the Institute. The message from the SEM was that it would be up to the Institute to pursue the matter further on its own initiative.

#### **Recommendations of the Task Force**

19. In February, 2004, the Task Force produced a report following a series of meetings to discuss the future development of the Institute. A copy of the report of the Task Force is now produced and shown to me and marked as exhibit “LKFT-5”. The report included a number of recommendations made to Council for consideration. Specifically, the Task Force’s recommendations included the following:-

“B. **Collaboration and alliance with other UGC-funded institutions**

- (2) The Institute should continue to position on its traditional areas of strength and seek forms of collaboration with other UGC Institutions which will allow it to strengthen its capacity to achieve its mission in the most cost effective manner;

- (3) The Institute should continue to work collaboratively with other institutions on specific subjects such as those with small intakes but demand significant resources in order to better manage resources (e.g. Physics and Maths);
  - (4) any UGC proposal on strengthening bilateral cooperation and forming of alliances with other institutions should be welcome and explored;”
20. In the same report, the Task Force also stated that in view of the projected decrease in student numbers and taking into account the reduction in the unit cost per student (full time equivalent or FTE) as well as the withdrawal of the front-end loading (i.e. additional funds provided to the Institute by the Government in its establishment years), the Institute would likely have a serious financial deficit during 2005-2008 if no timely cost savings measures were implemented.
21. The recommendations of the Task Force were considered by the Council at a meeting held on 26th February 2004. All the recommendations, including those on collaboration with other UGC institutions as set out in the Task Force’s report, were approved by Council save that the subject Mathematics was deleted from the Task Force’s recommendation 3. A true copy of the minutes of the meeting of Council held on 26th February 2004 is now produced and shown to me and marked as exhibit “LKFT-6”.

### **The Niland Report**

22. In March 2004, a report was published by the Institutional Integration Working Party (“**the IIWP**”) of the UGC titled “Hong Kong Higher Education - Integration Matters”. I understand from such report that the IIWP was established by the UGC back in August 2003 to:-
- (i) explore the feasibility of institutional integration, taking into account Hong Kong’s needs and recent international experience;
  - (ii) identify key potential benefits and drawbacks of possible institutional integrations; and
  - (iii) formulate recommendations to the UGC.

The convenor of the IIWP was Prof. John Niland AC, so I will refer to this report as the Niland Report.

23. One of the recommendations in the Niland Report was that the UGC should develop an Institutional Integration Strategy for encouraging and where appropriate, steering coherent operating relations between/among higher education institutions. Such strategy was to facilitate more synergies and greater efficiencies than would otherwise be the case. The Niland Report then recommended a framework for tertiary institutions to build more productive and closer relationships. The spirit of this report was to show how institutional integration might be advanced. The Niland Report noted that there were dozens of different arrangements that might be contemplated in any exercise of institutional integration. The report specifically discussed 5 models of possible arrangements namely:-
- (i) the Merger Model
  - (ii) the Federation Model
  - (iii) the Deep Collaboration Model
  - (iv) the Loose Affiliation Model; and
  - (v) the Status Quo Model.

24. Under the Merger Model, the term “merger” in its full and total form occurs when the integrating parties fuse permanently into a single entity in all respects. I extract the definition of “merger” from the Niland Report as set out below:-

“Merger, in its full and total form, occurs where the integrating parties fuse permanently into a single entity in all respects. The new entity will have a clear identity with a single governing body, a single academic senate, a single vice chancellor or president and a unified management structure. Rationalisation may take longer in other important areas such as degree programme offerings, the structure of academic units and management systems. But the merger strategy should drive to fusion here as well, and in a relatively short time.

An institutional merger is taken to mean an amalgamation of two or more separate institutions that surrender their legally and culturally independent identities in favour of a new joint identity under the control of a single governing body. All assets, liabilities and responsibilities of the former institutions, including the human elements, are transferred to the single new institution. (*Harman, 2002; p.94*)”

25. The Merger Model should be contrasted with the Federation Model as described in the Niland Report. The Federation Model of institutional integration occurs when universities are drawn closer together while preserving certain autonomy to the



partner institutions. Typically, the integrating institutions surrender governance autonomy and install a single, over-arching council and a single vice-chancellor or president to take CEO responsibility for the federated entity. According to the Niland Report, there is a variety of possible arrangements with subordinate elements and just where the new entity sits on the continuum of loose to tight federation depends on how these elements are handled and in particular what else is assigned to the central authority. I refer to pages 17 and 18 of the Niland Report in this regard.

26. The Deep Collaboration Model as described in the Niland Report is a less extensive form of integration. Deep collaboration occurs when the partner institutions agree to merge functions in designated areas. The Deep Collaboration Model, in some respects, sits about mid-way on the continuum that stretches from merger through federation on the one side, to loose affiliation or status quo on the other. Like merger and federation, deep collaboration entails surrendering some control though less dramatically because governance structures, and indeed the very identities of the partner institutions, stay intact. Unlike loose affiliation, deep collaboration entails a substantial modification of operational arrangement, usually with binding contracts to lock in commitments. It also entails an arrangement made (or at least formally sanctioned) at the institutional level by the governing bodies. Like loose affiliation, the Deep Collaboration Model covers specific issues in designated areas whereas both merger and federation embrace a whole-of-institution approach. I refer to pages 19 to 20 of the Niland Report.
27. The Loose Affiliation Model, as described in the Niland Report, promotes some of the benefits of a closer working relationship, while preserving a high degree of autonomy and independence for each partner. This may encompass such arrangements as team teaching with academics from each institution jointly responsible for a course enrolling students from each university for credit towards their respective degrees.
28. For the Status Quo Model, the higher education sector maintains its current form and character, with existing institutions maintaining already established boundaries. The Status Quo Model, according to the Niland Report, is not really an option for universities seeking to preserve or advance their interests.

## The Institute's Retreats on 24th April 2004 and 5th June 2004

29. Following the release of the Niland Report by the UGC, Prof. Morris and I agreed that the Institute should have a full-day retreat (“**the 1st Retreat**”) to brain-storm and obtain some consensus on the way forward regarding institutional integration. The 1st Retreat was held on 24th April 2004 at the Hong Kong Jockey Club in Bees River, Sheung Shui to discuss the way forward regarding the form and possibility (*if any*) of deep collaboration with other institution(s) in the context of the recommendations of the Task Force. It was attended by 46 participants, including me as the Council Chairman, other Council Officers, Council Members, the Senior Management, Heads of Departments and major non-academic offices, and students.
30. After my welcoming remarks (comprising a brief overview and setting out the objectives of the 1st Retreat), the 1st Retreat then led off with a presentation on the future development of the Institute by myself and Dr. K.C. Lai.
31. In my address to the participants, I attempted to bring attention to the fact that many of the Institute's programmes would not be able to sustain the current level of funding in the years to come, due to the forecasted decline in number of school-aged children, resulting in a reduction in overall demand for teachers (i.e. the unfavourable demographics). The phrase ‘death by a thousand cuts’ was used to paraphrase this likely scenario as the unfavourable demographics would result in funding cuts. At no time was the phrase intended, explicitly or implicitly, to suggest a plot of funding cuts to put pressure on the Institute for whatever reason. The whole message I wished to send was that maintaining status quo was not an option for the Institute. The Institute had to adapt to survive.
32. I then further stressed that the Institute would suffer continued decline unless it embraced new thinking in its long-term strategy. There was a need for the Institute to expand its programmes to provide a full-spectrum curriculum – from early childhood to secondary school teacher training. One of the options would be for the Institute to consider collaboration and partnership with other universities in order to complement our strength in teacher training with their depth in subject disciplines. This was the

very option put forward by the Task Force and endorsed by Council earlier in the year. Other options could be considered during the group discussions that followed.

33. As Council Chairman and initiator of the 1st Retreat, my address was to set the scene for a constructive review of the Institute's strategic direction, with an unfettered mindset to explore a range of options. The phrase 'death by a thousand cuts' was made to bring into bold relief the Institute's plight – under the setting of the 1st Retreat where, right at the start, it was emphasized that open-minded thinking and expression would be a motto for the occasion. I was pushing for change, but not for merger (as defined in the Niland Report) as I personally did not prefer such a route.
34. At the 1st Retreat, Prof. Morris also gave a power point presentation on the Academic Development Proposals for 2005 - 2008 and the experience in their preparation. This was followed by an update of the Institute's current and projected financial status by Mr. Alfred Chan, the Chairman of the Task Force. The data and analysis results clearly showed a rather significant decline in recurrent funding for the Institute in the ensuing years, resulting in an eventual shortfall annually.
35. According to Alfred Chan's presentation, the decline in funding was due to two main reasons:
  - (i) the removal of front-end loading – which we knew would occur, and
  - (ii) the unfavourable demographics.

It was explained that the former was a normal course of action by the Government for all new institutions and that the latter was based on the low birth rate in Hong Kong. I believe the picture was clear to many participants that the Institute would face a series of funding cuts resulting from a reduction in student numbers.

Following the presentations, the participants formed into four small groups, to share their thoughts on the Institute's future direction and discuss the relative merits of the different models of institutional integration. However, no final agreement on future direction was reached by the participants at the end of the 1st Retreat.

36. A bundle of materials presented to the participants at the 1st Retreat is now produced and marked as exhibit "LKFT-7".

37. Subsequent to the 1st Retreat, a follow-up half-day Retreat (“**the 2nd Retreat**”) was held on 5th June 2004 with largely the same participants attending. Copies of the materials distributed to the participants of the 2nd Retreat are now produced and shown to me and marked as exhibit “**LKFT-8**”.
38. At the end of the 2nd Retreat, the consensus reached by Council members, staff and senior management on the issue of institutional partnership and integration was a rejection of merger (*as defined in the Niland Report*), but an agreement to pursue institutional integration under the affiliation/federation model. This meant that institutional integration in the form of federation, deep collaboration or loose affiliation model would be acceptable. The participants in the Retreats also outlined the conditions - academic and governance/ administration – under which the Institute would enter into institutional integration arrangement with other institutions.
39. A ‘Report on the Council Retreats’ was subsequently prepared by the Institute’s management and submitted to Council on 21st June 2004. A copy of this report is now produced and shown to me and marked as exhibit “**LKFT-9**”.
40. At the meeting held on 21st June 2004, Council affirmed that further exploration of the feasibility, desirability and form of deep collaboration with other local tertiary institution(s) was to be carried out within the parameters as set out in paragraphs 7(a) and 7(b) of the “Report on the Council Retreats”.
41. Following this, informal exchanges were held with HKU and CUHK to explore mutual interests in pursuing institutional integration with the Institute along the line of the Council’s decision. Prof. Morris and Prof. Luk were in discussion with representative(s) of HKU and CUHK. I was involved mainly in sharing views on this matter with the respective Council Chairman of the two universities. CUHK emerged as the principal discussion partner as HKU showed some but not sufficient interest to make positive progress on the matter.

## Deep Collaboration Agreement with CUHK

42. On 4th June 2005, I understand Prof. Morris had a discussion with Prof. Lawrence Lau (Vice Chancellor of CUHK) during which both expressed a common interest in exploring deep collaboration between the Institute and CUHK. In early June 2005, the Institute established a Working Group on Deep Collaboration (“**the Working Group**”) with CUHK.
43. CUHK, had been identified as a potential collaboration partner (as opposed to the other universities) because the Institute and CUHK share many visions in teacher education (the belief in quality, in service and in reaching out to the entire region) and the two institutions are also geographically close. By exploring deep collaboration, it was hoped that the two institutions could create greater synergy as we could capitalise on each other’s strengths. It was also hoped that we could together provide expertise across the full range of education level. At the time, Prof. Luk, Mr. Norman Ngai, Prof. Phillip Moore (the Institute’s Acting Vice-President (Quality Assurance & Educational Services)) and Dr. Lai Kwok-chan, Head of Planning & Academic Implementation (Secretary) were members of this Working Group.
44. The terms of reference of the Working Group were as follows:-
- (i) to discuss and recommend a set of principles within which a framework might be developed for various levels of cooperation other than a full merger, and to present those principles through the President (i.e. Prof. Morris) for consideration and approval by the Council;
  - (ii) subject to the approval of those principles, to propose a draft agreement on the framework for deep collaboration, for consideration by the Institute and CUHK; and
  - (iii) subject to the adoption of the agreement by the Institute and CUHK, to draw up mid-to long-time strategies for deeper collaboration for consideration by the two institutions.

Views of staff and students were then collected through the Institute’s Consultative Group on Deep Collaboration on the broad outlines of deep collaborative activities. Copies of the documents setting out the membership and terms of reference of the Working Group and Consultative Group are now produced as exhibit “**LKFT-10**”.

45. At the Council meeting held on 24th June 2005, Council approved the principles for deep collaboration as recommended by the CUHK - HKIEd Task Force. A copy of the minutes of Council's meeting held on 24th June 2005 is now produced and shown to me as "LKFT-11". The principles agreed by Council in exploring the deep collaboration were as follows:

- (i) the overarching goal for deep collaboration should be enhancing the quality of education and upgrading of the teaching profession in Hong Kong;
- (ii) it was not intended to be a cost saving measure;
- (iii) in the exploration process, both institutions should respect each other's roles and traditions, and recognize the differences involved;
- (iv) while the Institute would keep an open mind on the various forms of collaboration, merger would not be part of the discussion and the Institute would not consider downsizing or elimination of overlapping units;
- (v) the intention was to have the governance of the two institutions remain largely unchanged in the 2005 - 2008 and 2008 and 2011 triennia. For the 2005 - 2008 triennium, any collaboration should be built on the basis of the framework of the separate Academic Development Plans and the associated funding from the UGC. As for the 2008 - 2011 triennium, it was envisaged that appropriate changes might be adopted by mutual consent.

In this regard, a copy of my letter to Council members dated 9th June 2005 on the above matters is now produced as exhibit "LKFT-12".

46. On 9th July 2005, a Deep Collaboration Agreement ("the Deep Collaboration Agreement") was signed between the Institute and CUHK. A copy of the Deep Collaboration Agreement, dated 9th July 2005, is now produced and shown to me and marked as exhibit "LKFT-13".

47. The Deep Collaboration Agreement refers to the need for continuing discussions between the two institutions. Such discussions "will first focus on a period of two triennia (2005-8 and 2008-11) during which various levels of cooperation, other than a full merger, will be developed." The Deep Collaboration Agreement envisaged "that appropriate changes [to each institution's current governance and operations] may be adopted for the second triennium by mutual consent". In this respect a continued

dialogue between the Institute and CUHK in relation to steps required to be taken to maximise the benefits of deep collaboration was a fundamental aspect of the Deep Collaboration Agreement because the parties should seek to arrive at an eventual model with a high level of synergy that would benefit all parties. In this light, the Deep Collaboration Agreement should be viewed as the beginning, rather than the end of the collaboration process.

48. A Joint Task Force comprising members from both the Institute (namely, Prof. Luk, Mr. Norman Ngai, and Prof. Philip Moore) and CUHK (namely, Prof. K. Young, Prof. PW Liu and Prof. John Lee) was tasked to consider further the structures for deep collaboration. In effect it was this body which was tasked with continuing the discussions concerning deep collaboration.
49. I should pause here to explain that the Institute had in this regard been given assurance by the UGC regarding its resources on the 2008 - 2011 triennium provided the deep collaboration was to progress well. The Institute's understanding was that it was the overall UGC and government policy that extra resources would be provided for deep collaboration that led to higher quality teacher education. The exact amount of additional funding would, however, depend on what concrete plans the UGC would support. Accordingly, these plans (including the mid to long term strategies and plans of deep collaboration) would have to be worked out by the Joint Task Force on Deep Collaboration. Given the Institute's need for extra funding for the deep collaboration, there was some urgency for the Joint Task Force to draw up plans of deep collaboration, as the application for UGC funding was due by November in 2005.
50. Following the signing of the Deep Collaboration Agreement, on 3rd September 2005, Prof. Morris and Prof. Lawrence Lau (Vice Chancellor of CUHK) issued a joint letter to the UGC to submit certain proposals on collaboration. A copy of this letter is now produced and shown to me and marked as exhibit "LKFT-14". Of the proposals listed in this joint letter, I understand that only the first item (on Joint Degree in English and Education) has been implemented to date.
51. As Chairman of the Institute, I had discussions with Prof. Morris from time to time on progress of the negotiations on deep collaboration plans. I was concerned that I was

not seeing substantive results from the negotiations or the direction on the way forward. When having such discussions with Prof. Morris, I had in mind (i) Council's resolution that the Institute should explore institutional integration under the affiliation/federation model, (ii) the terms in the Deep Collaboration Agreement that both institutions would seek to arrive at an eventual collaboration model (including possibly a mutually acceptable affiliation/federation model) that would benefit both parties and that appropriate changes (in terms of institutional integration) might be adopted as early as the 2008 - 2011 triennium, and (iii) the declining situation at the Institute in our competitiveness for funding.

52. As part of my discussions with Prof. Morris we did consider (*upon the introduction and explanation of Prof Morris*) the potentially different institutional integration models that might work for the Institute and CUHK. All the discussions I had with Prof. Morris on the "depth" of collaboration with CUHK should therefore be viewed in this light.

**Reference by Prof Luk to "the nine occasions between March and September, 2006" during which I or the SEM allegedly requested a merger**

53. I now turn to deal with the allegations in the Letter regarding the nine occasions between March and September 2006 during which I or the SEM allegedly requested a "merger" between the Institute and CUHK.
54. As Prof Luk did not make clear in his Letter the dates or specifics of the 'nine occasions', it is not possible for me to provide a detailed response to his allegations. I have nonetheless reviewed my diary during the said period and identified the following occasions, where the subject of discussion might bear relevance to collaboration with another university (*namely the CUHK*), and thus could possibly be regarded as related to the statement by Prof Luk.
55. In all these meetings, my discussions with Prof. Morris were conducted with reference to the Deep Collaboration Agreement. I did not at any time press or request Prof. Morris to initiate (or take leadership to initiate) a merger of the Institute with CUHK or any other tertiary institutions. I did not receive any direct or indirect request or



pressure from the SEM on “merger” in the Niland sense between the Institute with CUHK. The following is an account of those meetings, to the best of my recollection.

**(i) 23rd Mar 2006 – Breakfast meeting between Prof Morris and myself**

56. It was a general update of the Institute’s affairs and briefing by Prof. Morris on the progress of deep collaboration between the Institute and CUHK.

**(ii) 29th Mar 2006 – Short meeting involving the SEM, Prof Morris, myself and Mr. Y K Pang (Council Treasurer)**

57. The meeting was to brief the SEM on the progress of the deep collaboration between the Institute and CUHK. We discussed the progress of collaboration made to date. We also explored the possibility of receiving additional Government funding for new joint degree programmes (*secondary teacher*) between the two institutions. The SEM responded by requesting a specific proposal on the new joint degree programmes after the two institutions had reached an agreement. The SEM also enquired and we therefore discussed what steps we intended to take to progress deep collaboration plans.

**(iii) Dinner at Hong Kong Club on 17th April 2006 (SEM, Dr. Alice Lam, Michael Stone, Prof. Lawrence Lau, Prof. Kenneth Young, myself and Prof. Morris)**

58. This dinner was to follow up on discussions of deep collaboration between the Institute and CUHK. The SEM and Dr. Alice Lam (Chairperson of the UGC) were there to support and facilitate the discussion as there was an implicit understanding that the UGC would be requested by CUHK and the Institute to provide more funding to the two institutions on specific programmes or initiatives relating to collaboration.

59. Views were exchanged on an informal basis on the potential areas to move further forward with deep collaboration in the next few years. The areas of discussion included:-

- (i) institutional arrangements to engender closer relationship between the Institute and the Faculty of Education of CUHK;

- (ii) the relationship between the two Councils and between the Institute's Academic Board and CUHK Senate;
- (iii) options for institutional arrangement to enable participation of HKIED staff in the Graduate School and research programmes of CUHK;
- (iv) further expansion of joint degree programmes between the two institutions; and
- (v) the possibility of joint admission for new student in-take.

60. When exchanging views on possible institutional integration models, Prof. Morris put forward the Columbia University federation model as a possible option. Prof. Morris and I both stated that the Institute would want a high degree of autonomy under a federation model. The parties exchanged views on possible institutional arrangement to engender closer relationship between the Institute and CUHK's Faculty of Education. Specifically, Prof. Morris wished to absorb the Faculty of Education of CUHK under the Institute. Prof. Lau indicated that he would likely have difficulty in convincing CUHK's Council as well as the Faculty of Education to agree to Prof. Morris' proposal without reaching clear agreement on institutional relationship between CUHK and the Institute. This would include, amongst other considerations, the relationship between the two Councils and between the Institute's Academic Board and CUHK Senate. On the other hand, in response to a proposal from Prof. Morris, Prof. Lau was supportive of joint appointments of qualified academic staff of the Institute to the CUHK Graduate School to allow them to participate in supervising CUHK graduate research students. Prof. Lau raised a concern about the potential effect any federation arrangement would have on CUHK's performance in the Research Assessment Exercise ("RAE") under the current UGC policy, as many academic staff of the Institute were not as research active as their counterpart in CUHK. We also discussed an expansion of joint degree programmes between the two institutions. Prof. Morris expressed the concern that CUHK might take up the Institute's campus, but he was assured by Prof. Lau and the SEM that this would not be the case. In summary, views were exchanged amongst the parties on the future direction of institutional integration in the form of a federation model, but no conclusion was reached at the end of the dinner.

(iv) **10th May 2006 – Dinner between HKIEd (myself, Prof Morris, Mr. Y K Pang) and CUHK (Dr. Edgar Cheng, Prof Larry Lau, Prof Kenneth Young)**

61. This dinner was a continuation of the discussion at the earlier dinner on 17th April 2006 on matters of deep collaboration between the two institutions. Ideas on possible federation arrangement were further exchanged at the dinner. However, it was obvious there were institutional constraints on both sides, and I felt that the discussion was unsatisfactory. Since there was no urgency on the matter, both sides agreed that there was no need for any timetable and that further discussion should be held at an appropriate time in the future.

(v) **10th June 2006 - Breakfast meeting with Prof Morris**

62. This breakfast meeting took place on 10th June 2006 between Prof Morris and myself. As Council Chairman and President of the Institute, Prof Morris and I met periodically to discuss affairs of the Institute, focusing mainly on strategic and development matters.

63. As a normal practice in the past, Prof Morris (*and also past Presidents*) would meet in confidence with the Council Chairman to discuss contract renewal of Vice Presidents. Likewise, the Council Chairman would meet in confidence with the incumbent President, to discuss his/her contract renewal.

64. On this occasion, the meeting was arranged by me following the setting up of an Ad Hoc Committee on the Review of the President (*Review Committee*) by the Council on 6th April 2006. As Council Chairman, I was appointed to chair the Review Committee to conduct a review of Prof. Morris' performance during the past four years and report back to the Council. In its April 2006 meeting, the Council had also discussed and laid down guidelines for a more rigorous review process for appointment or re-appointment of Presidents and Vice Presidents of the Institute to ensure thoroughness of the review.

65. The breakfast meeting was therefore arranged with the following purpose in mind:  
(i) to ascertain Prof. Morris' interest in renewing his contract;

- (ii) to share views with him about the impending review process and the rules and mechanism of decision-making; and
- (iii) to provide him initial feedback on his performance as President, from the vantage point of Council Members.

66. During the breakfast meeting, Prof Morris acknowledged his wish to renew his contract as the Institute's President upon the expiry of his current contract at the end of August 2007. I communicated to him that the review process would involve a collection of views about his past performance from a wide range of stakeholders, including external Council Members, senior management, staff, staff association and students. A systematic process would be adopted and that based on past practice, a series of interviews would most likely be conducted.

67. I further explained to him that according to the HKIEd Ordinance, the appointment of the President and Vice Presidents would be made by external Council Members (*at that time, I was not aware that the two Vice Presidents would also have voting right in the appointment of the President, as it was only stipulated indirectly in the Ordinance*). Also, according to the HKIEd Ordinance, his contract renewal would require a 'yes' vote from two-thirds of eligible Council Members who could vote.

68. I then explained to Prof Morris that each voting Council Member would be required to cast his/her vote separately and independently, based on his/her best judgment about whether he (Prof. Morris) would be the best person to lead the Institute in the next few years. I told him that, given the rules governing the decision-making authority and process, the task would be upon him to convince the external Council Members to support his re-appointment. I explained to Prof Morris that, in my personal evaluation of the situation, securing two-thirds of the votes cast would be a challenge for him, as a number of external Council Members had expressed their concern about his leadership of the Institute over the past 2-3 years. Although I had not discussed the matter with those external Council Members recently, I thought it would be appropriate to let him know about their concerns, so that he could address them during the review process.

69. I then went further to share with Prof. Morris the concerns of some external Council Members. These included:

- (i) his defensive response to any criticism raised and often antagonistic attitude toward those who raised them;
- (ii) by-passing Staffing Committee approval by making long acting appointments at senior management level;
- (iii) failure to respond to repeated requests by Chairman of the Staffing Committee to conduct an internal survey on staff morale;
- (iv) lacking in strategic leadership, more inward looking than breaking new grounds – resulting in a generally declining strategic horizon for the Institute and leading to:
  - the Institute’s declining influence in teacher education policy matters and the lack of representation in educational policy bodies;
  - the Institute’s slowness in responding to changes in the ‘market’ (*competitive funding instead of allocations*), when compared to education faculties of other universities;
  - failure to leverage on the Institute’s historically strong relationship with the school network, to create closer partnerships and garner stronger support; and
  - the Institute’s inability to secure more funding support, from UGC and EMB, as well as the community-at-large.

I advised Prof. Morris that if he were prepared to lead the Institute forward, he would have to address the above concerns and demonstrate positive leadership for the Institute’s future development.

70. In response to the above, Prof Morris became visibly upset and expressed his ‘disbelief’ in the negative opinions others had about his performance. Prof Morris then opined that the negative opinions were put forward to ‘justify’ his removal. There was an ‘agenda to merge’ the Institute with another university and that he was being ‘victimized’ because of his opposition to a merger.

71. I then explained to him that no external Council Member had mentioned about merger and that their concerns were very genuine. Prof Morris continued to demonstrate a

very negative attitude to my explanation. To close the subject, I suggested to him to take some time to think about it and that we could discuss this further later. I also said that I would respect his decision and proceed with the review process accordingly. Prof Morris then said to me, in a low voice, that he would protect his reputation and that, 'It's not going to be that simple'.

72. About a week or so later, Prof Morris informed me that he wished to proceed with the contract renewal process. Soon after, he suffered from an accident and was indisposed for an extended period of time. This was followed by his return to the UK for rehabilitation. As a result, the review process could only start in early September, 2006.

73. When the Review Committee submitted its report to the Council on 1st December 2006, Prof Morris informed the Council that, in the 10th June 2006 breakfast meeting, I had pressured him to agree to a merger as a condition for his re-appointment. I denied this categorically at the Council Meeting. However, at that time, I declined to go into details of the breakfast meeting, as it might unfairly bias the voting decision of Prof Morris' contract renewal by the Council.

(vi) *14th Sep 2006 – Dinner with Prof Morris and Mr. YK Pang (Council Treasurer)*

74. The dinner was a general update on the Institute's affairs following the prolonged absence of Prof. Morris due to health reason and vacation in the UK. Also, Prof. Morris was briefed by myself and YK Pang on the approach and methodology of the review process to be undertaken by the Review Committee.

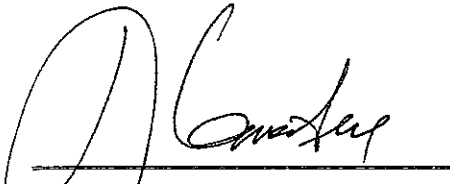
### **Further Comments**

75. In all the discussions I had with Prof. Morris relating to the collaboration between the Institute and CUHK, I note that Prof. Morris used the word "merger" even when he was referring to institutional integration along the lines of a federation model. The feeling I had from discussing with him the potentials of any eventual model for institutional integration with CUHK was that Prof. Morris was reluctant to explore

positively any federation model for institutional integration and would prefer total autonomy and independence for the Institute.

76. When I asked Prof. Morris to press on with exploring an eventual model of the institutional integration with CUHK, I did not press him to pursue “merger” in the sense of “full merger” as defined in the Niland Report, but to discuss institutional arrangement under a viable federation model. However, I was not convinced that he was pursuing this positively as he insisted on absorbing the Faculty of Education of CUHK and enjoying other benefits of such an affiliation, but at the same time refusing to discuss positively important topics relating to institutional relationship between the Institute and CUHK, and for that matter, any other university.
77. In conclusion, all the substantive discussions I had with Prof. Morris were concerned with pursuing the federation model, and “merger” (as defined in the Niland Report) was not discussed.

Dated the 19th day of March 2007.



**Dr. Leung Kwok Fai, Thomas**

**IN THE MATTER OF THE COMMISSION OF INQUIRY  
ON ALLEGATIONS OF IMPROPER INTERFERENCE  
WITH ACADEMIC FREEDOM  
AND INSTITUTIONAL AUTONOMY  
AT THE HONG KONG INSTITUTE OF EDUCATION**

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**STATEMENT OF DR. LEUNG KWOK-FAI, THOMAS**

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Dated the 19th day of March 2007

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