

# Experiences in Managing Public Assets of Public Higher Education Institutions in Some Countries in the World and Lessons Learned for Vietnam

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## Abstract

Public asset management plays a crucial role in ensuring the efficient use of public resources and promoting transparency in government operations. Proper management of public assets, such as land, buildings, and infrastructure, helps optimize their value, reduces waste, and supports sustainable development. In the context of higher education institutions, effective asset management not only ensures that resources are used efficiently to improve facilities and services but also contributes to the long-term financial stability of the institution. By adopting sound asset management practices, governments can enhance public trust, ensure accountability, and better meet the needs of society. This paper explores the management of public assets in public education institutions across several countries and draws lessons for Vietnam. By analyzing asset management practices in countries such as China, Australia, and Canada, this paper identifies key strategies that contribute to efficient resource utilization in public education institutions. The paper further emphasizes the necessity for Vietnam to adapt these international best practices to its own context.

**Keywords:** Public asset, Public higher education institution

## 1. Introduction

Effective management of public assets in public higher education institutions is critical to ensuring the sustainability and quality of education. Many countries have developed various strategies and frameworks for managing public assets in public universities, aiming to optimize the use of resources and improve operational efficiency. However, the practices employed in different contexts vary greatly due to differences in governance structures,

financial models, and institutional priorities. This paper explores the asset management experiences of public universities in several countries around the world, analyzing their successes, challenges, and key lessons learned. By examining these international practices, the paper aims to provide insights and recommendations that can be applied to improve asset management in Vietnam's public higher education sector.

### *1.1 Research Method*

This study employs a comparative qualitative research methodology to analyze the experiences of managing public assets in public higher education institutions across various countries. Data is gathered through a combination of literature review, case studies, and expert interviews. The literature review examines existing research, reports, and policy documents on public asset management practices in higher education institutions from countries such as the China, Australia, and Canada. Case studies of specific universities are explored to highlight best practices, challenges, and outcomes. Additionally, interviews with academic and administrative experts provide deeper insights into the practical application of asset management strategies. The study synthesizes these findings to draw lessons and make recommendations for improving asset management in Vietnam's public higher education sector.

## **2. Experience in Managing Public Assets of Public Higher Education Institutions in some Countries in the World**

### *2.1 Experience in Managing Public Assets of Public Higher Education Institutions in China*

In 2002, at the Third Plenary Session of the 16th Central Committee, China raised the issue of "continuing to promote the reform of public institutions," including public higher education institutions. From 2011 to 2015, the reform of public service units was accelerated with the overall goal of 2020, aiming to establish a management system and operational mechanism with clear functions, effective supervision, and the formation of a public service system with Chinese characteristics; prioritizing basic services, appropriate levels of provision, and a reasonable structure. During this phase, based on standardized arrangements, China has completed the classification of public institutions into: (i) administrative functions; (ii) public institutions engaged in production and business activities; (iii) public welfare institutions. The public university education institution belongs to the group of public utility service units. In the period from 2002 to 2015, alongside the reform of public service units, the management of public assets at public higher education institutions also received attention and underwent many changes compared to the previous period. Experience in China will be analyzed during this phase.

The Chinese government has made a new step in its management approach by separating ownership rights from the rights to use assets. Combining asset management with budget management such as controlling the total amount of assets, optimizing asset utilization, and effectively using additional assets. Combine asset management with financial management, physical asset management with the management of data values in accounting books, records, and utilized assets to ensure consistency. Previously, when a unit had a need, the assets would

be provided, but now the need for assets must go through a decision by the Department of Public Asset Management.

According to the asset lifecycle, some aspects of public asset management are carried out as follows:

- Regarding formation of assets: Apply the new method of arranging public assets, prioritizing the allocation from the existing assets of public higher education institutions; in case there are no existing assets to allocate, then rent, minimizing purchases to achieve the goal of arranging existing assets for effective use, avoiding waste.

- Regarding the arrangement and allocation of assets: The Ministry of Finance, the relevant departments, and public higher education institutions shall base their actions on their needs, in accordance with the procedures stipulated in the Law and relevant legal regulations, through procurement methods or the regulation of asset distribution to public higher education institutions. To standardize and further enhance the management of asset budgets, the Ministry of Finance of this country has issued numerous regulations regarding the management of newly acquired assets of public service units, implemented budget standards for the procurement of common office equipment in public service units, established regulations for asset budgeting, refined budget standards for the procurement of common office equipment in public service units, and promoted a close integration between asset management and budget management.

- Regarding asset exploitation: promoting the shared use of existing assets to increase efficiency and savings. This can be observed through the asset exploitation mechanism at Sichuan University, Chongqing. Sichuan University, through the construction of a large-scale online equipment management center, actively introduced new management solutions, promoted the formation of a shared equipment service system, and achieved certain results in the adjustment and efficient use of public assets. The approach of other institutions is similar. Sichuan University has introduced a new management method to promote the joint use and sharing of public assets. Assets and their status are publicly posted on the website. When other units have a need, they can look up information online about usage status and idle time. Units that need to use the assets can schedule usage online, after approval (online) or by directly visiting the location of the assets to register. After that, the financial procedures (payment, usage fee collection) must be carried out. The registration for use can apply to individuals both within and outside the unit that possesses the asset, with fees only charged in cases where the user is from outside Sichuan University. The money earned from the common use of assets in enterprises and public service units must be paid to the state budget, so the units are not very enthusiastic. However, Sichuan University has implemented a policy to increase reward points for cases where idle assets are used for common purposes.

- Regarding reporting regime: During the management process, public higher education institutions directly using public assets must register with the Ministry of National Asset Management. The Chinese government has clearly defined the limits of authority and responsibilities of public higher education institutions in management, including procurement rights, handling, evaluation, and the responsibility to report statistics to the asset management

authority.

- Regarding standards and norms for asset usage: the use of assets must comply with the standards, norms, and regulations set by the state. The public service units may be allowed to transfer a portion of their assets for business use, provided that these units ensure the completion of the tasks assigned by the state. The public asset management agencies at all levels supervise and inspect the economic efficiency of this work, confirm the division between the state and the unit regarding the income from the use of assets transferred to business assets.

- Regarding building the public asset warehouse: all surplus assets will be transferred to the public asset warehouse, and everything will be done online. when needed, people can go to that website to monitor.

- Regarding asset disposal: To manage public assets, public universities in China implement the transfer and reconciliation of public asset ownership among public universities, including uncompensated transfers, donations, sales, transfers, reporting damages to external parties, and monetary losses related to various types of public assets. Handling public asset income at public higher education institutions is managed according to the "two-tier revenue and expenditure" model based on the government's non-tax revenue management regulations. There are some provinces, such as Zhejiang Province, that gather all broken and outdated computers to send them to a repair facility, and then donate them to public higher education institutions.

## *2.2 Experience in Managing Public Assets of Public Higher Education Institutions in Australia*

The management of public assets of public higher education institutions in Australia is carried out according to the public asset management mechanism for public service units in general. Starting from the year 2000, the Australian government has implemented a comprehensive and extensive reform of the policy system and procedures for managing public assets in public institutions. In the context of Vietnam also needing fundamental reforms in the management of public assets or the reform of public higher education in general, and the management of public assets in public higher education institutions in particular, it is possible to consider studying the experiences of this country since 2000.

The reform of public asset management in Australia is not a separate process but has been carried out logically and consistently with broader reforms aimed at increasing the productivity and efficiency of the public sector and the Australian economy. To effectively manage public assets at public higher education institutions, the Australian government has thoroughly understood the requirements:

(i) Efficiency, publicity, transparency: According to this principle, all decisions on investment in construction, procurement, use, and liquidation of assets must ensure efficiency with a sense of thrift and impartiality, and must be carried out according to the bidding and auction mechanism, made public in the mass media, with the press and the public, and must be explained to the National Assembly and the agency responsible for asset management.

(ii) Management of public assets through output results: Accordingly, the investment in construction, procurement, use, and liquidation of assets is primarily based on the quality and output results of the services provided, such as the number of students graduating annually, high pass rates, etc.

(iii) All assets must be recorded and accounted for both in value and physical form, periodically re-evaluated for their value, and managed through asset management software. This software provides quite comprehensive information about the volume, value, condition, location, and images of existing assets, as well as changes in assets during the period. The report on asset usage is attached to the financial report submitted to the auditing firms and the financial agency, with a deadline of August 20 each year (the fiscal year ends on June 30). The State Audit Office is responsible for auditing all units. The audit data has been made public.

Some other contents related to the management of public assets of public university education institutions in this country include:

+ Depreciation of public assets: the depreciation of assets is carried out in 02 forms: (i) depreciation calculation for the purpose of monitoring to understand the level of asset wear and tear. (ii) calculating asset depreciation to receive funding from the state budget, accumulating reinvestment of assets (accrual accounting). The annual depreciation amount provided by the State to public higher education institutions is deposited in the bank and can only be used for reinvestment purposes when liquidating assets.

+ Asset liquidation: For large assets (real estate), it must be appraised by the Ministry of Finance; for equipment (cars, other movable assets), public higher education institutions can decide on liquidation themselves. The liquidation of assets is publicly auctioned through a professional liquidation service organization. The liquidation results are publicly disclosed through mass media. The amount collected is submitted to the state budget; however, depending on the agreement between the public higher education institution and the Ministry of Finance, the public higher education institution may retain all or part of it for reinvestment in assets.

### *2.3 Experience in Managing Public Assets of Public Higher Education Institutions in Canada*

Since 1995, the Government of Canada has reformed the management of public assets at public higher education institutions based on the principle that the government does not assign public higher education institutions to directly manage assets but instead establishes specialized asset management units for general service units to lease and use. Public higher education institutions are only allowed to lease office premises and transportation means according to standards, norms, or as required by assigned tasks, and must use the assets for their intended purposes. This relationship is carried out according to the property lease contract. When the units have changes in the need for workspace, transportation, or no longer require usage, they will sign a new lease agreement to align with the needs, standards, and regulations, or terminate the lease.

The investment and procurement of assets such as machinery, equipment, and working tools

in agencies are carried out by the specialized asset procurement department and are procured periodically every three years to equip the agencies based on the needs, requests of the units, and the appraisal opinions of the Ministry of Finance. Public higher education institutions entrusted with assets are responsible for maintaining, repairing, and allocating the use of these assets according to standards and norms to ensure effective and economical service for work needs and asset utilization. When there is a need to sell or liquidate assets, public higher education institutions that directly manage and use the assets must submit a written request to the specialized asset procurement department for review and decision. Based on the decision, the public higher education institutions will organize the sale and liquidation of the assets. Public higher education institutions entrusted with assets are responsible for maintaining, repairing, and utilizing the assets according to standards and norms to ensure effective and economical service for work needs and asset usage.

When there is a need to sell or liquidate assets, public higher education institutions directly managing and using the assets must submit a written request to the specialized asset procurement department for review and decision. Based on the decision, the units will organize the sale and liquidation of the assets.

### **3. Lessons for Public Higher Education Institutions in Vietnam**

*Firstly, leasing assets to gradually reduce the procurement and equipping of assets for public higher education institutions.*

The experience of managing public assets in public higher education institutions in various countries shows that the management of public assets should follow the trend of reducing the procurement and equipping of assets for public higher education institutions and shifting to the form of leasing assets. Public higher education institutions using public assets implement the regime of paying rent for assets to the centralized asset management agency. To achieve that, it is necessary to establish an agency representing the Government to manage public assets owned by the government, specifically overseeing the public university education sector. Government agencies will have to pay rent for public assets to the asset management agency at the agreed rental price, but they will need to consider and calculate the level of asset usage to save on the budget.

Therefore, these agencies must consider the actual asset usage needs of each public higher education institution to practice thrift. The asset management agency and asset utilization agency implement the method of transacting public assets like trading products and services in the market through lease contracts. This method replaces the asset provision method through financial grants for investment and procurement. This method contributes to enhancing the efficiency of public asset allocation, encourages units to prioritize efficiency in the allocation and use of financial resources, limits the allocation of public assets beyond standards and budget waste, and can also reduce disparities in working conditions among public higher education institutions.

*Secondly, prepare investment budgets and asset purchases according to the output and results-based state budget management method.*

In Vietnam, the preparation of investment budgets and asset procurement is still carried out according to the input-based budget management mechanism. This budget management mechanism does not focus on outputs and outcomes in achieving the set objectives. On the other hand, many units carry out investments and asset purchases without considering their effectiveness. Therefore, it is necessary to apply this experience in Vietnam to improve the policy of allocating and using public financial resources for the effective investment and procurement of public assets in order to enhance the quality of goods and public services provided to society.

It is necessary to change towards budgeting for asset procurement in the direction of output-based budget management and calculating efficiency when deciding on investment and procurement of public assets for public higher education institutions. As in the case in Australia, the management of public assets through output results. The investment, construction, procurement, management, use, and liquidation of assets is primarily based on the quality and output results of the public services provided by public higher education institutions. The costs associated with the ownership and use of public assets have been accounted for as input costs for the operations of public higher education institutions, through various budgeting and accounting tools. Therefore, the investing, constructing, and purchasing public assets will be more effective.

*Thirdly, build a database system for the public assets of public higher education institutions.*

To fulfill this requirement, it can be done by establishing a public database system for public assets such as: type, quantity, remaining value, usage status... which all public universities can access. Through that, when there is a need for public assets, public university education institutions do not necessarily have to purchase or invest in new assets but can rent or request a transfer. At the same time, through this database system, the management agency can accurately grasp the volume of assets that public higher education institutions actually own as well as the current status of these assets. Currently, public higher education institutions are managing state-owned assets and land without paying any money or only paying a nominal fee, and they have not yet completed the official procedures for leasing premises. The government hardly has any measures to encourage the return of unused headquarters or land, reduce the area of use, or liquidate unnecessary assets. In other words, an effective mechanism for managing public assets is needed through the reorganization of assets of public higher education institutions providing public services, and first, information about the assets must be obtained.

*Fourthly, organize the liquidation of public assets well.*

For big assets such as real estate, an appraisal by the Ministry of Finance is required. For other equipment, cars, and movable assets, public higher education institutions can decide on the liquidation themselves. It is possible to organize professional liquidation services, with wide and public bidding so that all organizations and individuals in need can be informed and participate in purchasing the liquidated assets. The liquidation results also need to be made public through mass media. The amount collected from liquidation must be submitted to the state budget; however, depending on the agreement between the public higher education

institution and the Ministry of Finance, the public higher education institution may retain all or part of it for reinvestment in assets.

*Fifthly, enhance accountability and transparency in the management of public assets at public higher education institutions.*

The management of public assets in countries is carried out through a relatively comprehensive system of planning and asset databases. The management information system was fully developed to ensure close supervision. The units using or the managing agencies all have periodic reports on asset usage according to a unified reporting system with tightly controlled data. The asset management agency, the ministry of finance, and the budget management agency promptly grasp the status of assets to implement the annual asset reporting regime as regulated. The asset management agency is responsible for regularly reporting the use, management, and increase or decrease of assets to the budget management authorities. An important issue in the effective management of public assets is accountability and transparency, enhancing responsibility, and clearly defining the objectives of public university education institutions when using public assets to serve the public interest, in line with the assigned tasks. At the end of the year, each public higher education institution must submit an annual report, detailing its operational effectiveness, which will be evaluated through social surveys, inspections, and supervision. Additionally, the competent authorities will conduct discussions and hearings to carry out evaluations and supervision; the entire process is highly transparent.

#### **4. Conclusion**

In conclusion, the experiences of managing public assets in higher education institutions across various countries offer valuable insights for Vietnam. These global practices highlight the importance of effective governance, strategic resource allocation, and the use of technology in enhancing the sustainability and efficiency of public assets. By learning from the successes and challenges faced by other nations, Vietnam can adopt best practices tailored to its own context, improve accountability, and foster long-term growth in its public higher education sector. The lessons learned emphasize the need for robust policy frameworks, transparent management systems, and greater collaboration between government bodies, universities, and other stakeholders. With these lessons in mind, Vietnam has the potential to strengthen its higher education infrastructure and ensure that public assets are used optimally for the benefit of future generations.

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