

City University of Hong Kong Teachers' Union

(CityU-TU)

1. The Case of CityU Substantiated Employees working for the private company - Community College of City University Ltd. (CCCU) has vividly illustrated:

- (a) the vulnerability of the "Substantiation Employment System" in the Hong Kong Higher Education Sector; and
- (b) the persistency of injustice in the Hong Kong Higher Education Institutes that their trade unions and affected staff are helpless to defend for their rights.

2. The College was set up in 1991, with the status of an academic faculty of CityU (the then City Polytechnic). Serving lecturers of CityU were invited to help setting up this new faculty, either on horizontal transfer or promotional transfer. Prior to their transfer to the College, they were employed to teach Bachelor and Master degree programmes in different academic departments and faculties. This group of pioneers and founders of the College, around 40 of them still remaining in service, are all substantiated lecturers of CityU. They have experience in managing and teaching degree and sub-degree programmes and most of them have more than 18 years of service with CityU. Added to these 40 pioneers, CityU had recruited additional lecturers and general grade staff on substantiated terms to cope with the growth of the then College. Amongst this latter group of staff, some 60 remained in service. They have all earned their substantiation terms of employment through continuous proof of their expertise, competency and dedication in their duties.

Long Serving
Substantiated
Lecturers of CityU
with proven
successful record
of teaching and
managing of
bachelor degree
level courses

3. The former Higher Diploma programmes and the present Associate Degree programmes offered by CityU all bear a unique characteristic, that is, they are academically vigorous and focused. The first year curriculum of all Associate Degree programmes in fact is identical with their corresponding Bachelor Degree programme in CityU, while the second year curriculum contains courses of the level and nature similar to those offered in the second year of Bachelor Degree programme. In other words, the College lecturers have all along been teaching the first and second year courses of a three-year Bachelor degree programme. It is the academic vigor and high quality of the College programmes that graduates of its Associate Degree programmes can be fully exempted from all first

year Bachelor degree courses of CityU and fully exempted from the first and second year courses of a three year Bachelor degree programme of some British Universities.

4. Since 2004, these 40 College pioneers, together with some 60 substantiated lecturers and general grade staff have been suffering from unfair and unjust treatment by the university management.

5. Against the objection of the then single CityU trade union and in the absence of prior consultation with that trade union, as well as seconded College staff on the final proposal submitted by a Council's Working Group, the CityU Council approved on 14 January 2004:

Had to accept
Salary Cut of 20%
or immediately
give up
Substantiated
Employment with
CityU

- (a) the highly objected and inappropriate creation of a private company - Community College of City University Ltd.(CCCU) to take over the College;
- (b) an unjustified salary cut of 20% with effect from 1 July 2004 for academic staff posted to the College; and
- (c) an unjustified and unilateral termination of these employees' substantiated employment contracts in 2008.

6. The then CityU trade union chaired by Mr. Nicholas Tam had all along objected to the setting up of another legal entity, i.e. the private company now called CCCU to take over the management of the College matters, and had also cautioned the university not to unilaterally terminate substantiated employment contracts of the College staff. A copy of the letter dated 31 October 2003 objecting the draft proposal of the Council's Working Group is enclosed as **Attachment A**. Since commenting on the draft proposal, the Working Group refused to provide any consultative documents on the final proposal to the then CityU trade union before its submission to the Council for approval.

7. On 28 January 2004, the College employees were informed of the Council's decision and were asked to sign an agreement to accept a salary cut of 20% with effect from 1 July 2004 and the refusal of which would result in the immediate loss of their employment with CityU. Some colleagues submitted written protest against the salary cut, stating that they were signing the agreement under duress. A copy of the letter from Director of Human Resources, together with the Agreement Form is enclosed as **Attachment B**.

8. Formally and informally, CityU Management had been acting in a way as if these College staff had all agreed to leave their CityU

Agreement to Pay
Cut unilaterally
construed by
CityU Management
as Agreement to
Give Up
Substantiated
Employment in
2008

employment on 30 June 2008, based on their agreement for salary cut of 20%. This misconception of CityU Management had been confirmed at a meeting between City University of Hong Kong Teachers' Union (the newly registered trade union) and the Vice-President (Admin) and Deputy Director of Human Resources on 1 November 2006. At the meeting, Dr. Ellen Ko, Vice-President (Admin) claimed that these staff had all signed an agreement in 2004 to leave the University employment in 2008, and as such, CityU was not obliged legally to take them back to the University proper.

9. City University of Hong Kong Teachers' Union (CityU-TU) repeatedly pointed out the fact that these employees ONLY agreed to a pay cut and NO MORE, and referred Dr. Ko to the content of the specific Agreement Form which was sent out by her in 2004. Agreeing to pay cut cannot be construed as agreeing to give up CityU employment.

Affected
Employees misled
by Untrue
Information put
forth by CityU
Management

10. At the same meeting, CityU-TU also pointed out that these College staff were misled into agreeing to the pay cut as they were told by the management in its letter of 28 January 2004 (see **Attachment B**) that *"The University is going through financially difficult times and hopes that you will agree to the salary reduction"*. In fact, CityU has never on one day encountered financial difficulties and as such, these staff were misled by the untrue information given by CityU management into signing the pay cut agreement. The validity of such an agreement is in doubt.

CityU-TU's
Defense of
Employment
Rights Ignored by
Management

11. CityU-TU, in an attempt to defend the employment and home-coming rights of these employees, put forth eight demands (enclosed as **Attachment C**) to the management on 1 November 2006 and again on 19 November 2006. Management did not respond and CityU-TU's defense of employment rights was simply ignored.

CityU Insisted on
unilateral
termination of
Substantiated
Employees

12. On 7 November 2006, CityU management told the press that the Council had already resolved in 2004 that these College employees would be employed by the private company, CCCU in 2008 under the terms of employment offered by this company. They openly confirmed their intention to unilaterally terminate substantiated employment contracts and denied their responsibility over these substantiated employees.

Recruiting 91 new
Contract staff in
2006 but not

13. It has come to light that despite CityU has been actively recruiting new contract employees since 2004 (in September 2006, 91 new contract academic staff were externally recruited), no plan is in place to transfer

**transferring back
Substantiated staff**

these 94 substantiated lecturers internally back to the University proper. It appears that CityU has special preference to employ staff on short-term contracts.

**CityU is expanding
with expected
increase of more
than 200 academic
staff**

14. As reported in Ming Pao on 20 November 2006, the Deputy President of CityU informed the press that CityU would recruit an additional of several hundred staff before the year 2012 to meet the staffing needs of the new 3-3-4 education system. Again, on 3 March 2007, Vice-President (Admin) told South China Morning Post that CityU would need to recruit close to 200 additional staff between 2006 and 2012 to cope with the new education system. This level of vacancies should pose the best opportunity to transfer back the 112 substantiated staff presently deployed to CCCU. Unfortunately, CityU management has no indication to solve its staff problem by this approach.

**CityU cannot
establish a case of
redundancy**

15. In the light of its short, medium and long term manpower needs, CityU cannot justify a case of redundancy for the 112 substantiated staff presently deployed to CCCU. It is evident that CityU has the manpower need, financial resources and the contractual liability to take these staff back to the University proper.

**CityU Council set
up a Special Group
to review the issue**

16. With repeated attempts by CityU-TU to raise the awareness of the injustice faced by the 112 College staff, CityU Council eventually resolved on 27 November 2006 to set up a Special Group to look into the issue. This Special Group is chaired by Mr. Vincent Chow, in his capacity as CityU Council member, with two members – Dr. Ellen Ko, Vice-President (Admin) and Ms. Jennifer Ng, Principal of CCCU.

**Chairman of
Council's Special
Group:
assumptions
leading to
Council's 2004
decisions were not
valid**

17. At their first meeting with CityU-TU on 7 December 2006, the Council's Special Group admitted that the various assumptions made in 2004 by the then Council's Working Group were not valid and as such, the Special Group had to consider the whole issue afresh.

**Employment
Rights of CityU
employees should
not be tied in with
the development
of CCCU**

18. At this juncture, CityU-TU pointed out very clearly to the Special Group that our demands were related to the employment rights of CityU employees and not related in any way to and should not be tied in with the development of the private company - CCCU. CityU-TU also emphasized that as the affected staff were CityU employees, and it should be the sole responsibility of CityU and not that of the private company - CCCU to resolve the problem.

19. At the meeting, CityU-TU, besides reiterating the Eight Demands, requested CityU to:

CityU-TU urged the Special Group to recommend positive steps to honour the Employment and Come-coming rights

- (a) honour the Home-coming rights (the right to be transferred back to the University proper) of all seconded university lecturers;
- (b) provide a time table for accomplishing the Home-coming demands;
- (c) immediately freeze all external recruitment of university teaching staff, until all seconded university lecturers have been transferred back; and
- (d) immediately restore the full salary of all seconded university lecturers.

20. Noting that CityU was challenging the much treasured and upheld “substantiation system” of Hong Kong Higher Education sector and its implication on job security and academic freedom of all academics in Hong Kong, Professor K.P. Shum, Chairman of the Federation of Higher Education Staff Associations of Hong Kong (Federation) presented an open letter to Mr. SM Chung, CityU Council Chairman and Professor HK Chang, CityU President supporting the home-coming demands of CityU-TU and urging for an early settlement. The open letter was copied to Professor Arthur Li, Secretary for Education and Manpower, HKSAR Government.

CityU-TU's demands supported by the Federation

21. According to Ms. Eva Ng, Ag Director of Human Resources, CityU President appealed to the CityU Management Board on 12 January 2007 to consider transferring the seconded lecturers back to the various faculties for the sake of “brotherhood”, but his appeal was turned down by the Faculty Deans. CityU President, Deputy President and Vice-President (Admin) confirmed with CityU-TU on 2 February 2007 that nothing could be done as the home-coming request was met with the refusal of Faculty Deans.

Faculty Deans objected to Senior Management's Appeal to honour employment rights

22. CityU-TU stressed that honouring employment rights should be considered as an institutional responsibility and as such, CityU as an institution should take it up and not leaving to the discretion of individual faculty deans.

Institutional Responsibility, not subject to discretion of individual Faculty Deans

23. In an attempt to fully explain our demands, CityU-TU had taken the initiative to write to individual lay Council Members, President, Deputy President and all Vice-Presidents requesting a face-to-face dialogue on the rationale and legitimacy of CityU-TU's Eight Demands.

CityU-TU tried its best to explain to decision makers face-to-face

Incorrect information about true picture being passed to Vice-President(s) and Lay CityU Council member(s)

24. At one of the dialogue sessions held on 29 January 2007, one Vice-President admitted that he was given the incorrect information that these employees presently serving CCCU had all signed an agreement to give up their employment with CityU by 2008, while one newly appointed lay Council member said he was wrongly told that these seconded staff were not employees of CityU, as their employment had already been terminated by the University. CityU-TU was able to provide solid evidence to dispel such incorrect and misleading information during the face-to-face dialogue. Unfortunately, as most of the lay Council members did not respond to our invitation for a face-to-face dialogue, their understanding of the true picture of the issue is in great doubt. Decisions made by the CityU Council due to misunderstanding, lack of knowledge or incorrect knowledge of the background and facts of the issue would bring injustice to the staff concerned.

VP(Adm) told CityU Student Union Press in January 2007 that CityU would not terminate any College staff

25. Quite contrary to what was being heard by CityU Senior Management and Lay Council members, Dr. Ellen Ko, Vice-President (Admin) told the reporters of the CityU Student Union Press in January 2007 that CityU had no intention to terminate any of these employees or to exploit them financially. A copy of article published by the CityU Student Union Press is enclosed as **Attachment D**.

Sudden Announcement of three Options by Council's Special Group – All Options are termination of employment with CityU

26. While the promise of no termination was still fresh in everybody's mind, the Council's Special Group suddenly on 23 February 2007 (the sixth day of Chinese New Year) broadcasted via email (**Attachment E** refers) to the whole university three Options for these 112 substantiated employees to choose. No prior consultation was made with Trade Unions of CityU, despite their earlier promise to do so.

27. CityU-TU's interpretation and understanding of the three Options put forth by Special Group are:

- (a) Option One – unilateral unjustified termination of substantiated employment with CityU in 2009;
- (b) Option Two – unilateral unjustified termination of substantiated employment with CityU in 2008; and
- (c) Option Three – unilateral unjustified termination of substantiated employment with CityU in 2008.

CityU-TU objected to the three Options as all were

28. After the announcement of the three Options, Council's Special Group met with CityU-TU on 27 February 2007, claiming that they had sent out "good news" to the 112 employees during Chinese New Year

one-sided
unjustified
termination of
substantiated
employment
contracts with
CityU

time. In response, CityU-TU advised that the three Options were met with widespread objections from colleagues as they failed to recognize their employment rights and the much treasured and upheld “Substantiation System” in the Higher Education Sector was challenged. CityU-TU confirmed that it could not accept any Options that would result in the termination of substantiated employment contracts with CityU.

Attachment F refers.

Council's Special
Group refused to
hold Open Forum

29. At the meeting, CityU-TU requested the Special Group to conduct an Open Forum with affected staff to clarify their stance and recommendations. The Chairman of the Special Group agreed to our request, but subsequently, no Open Forum has ever been organized.

CCCU in financial
difficulties in next
20 years

30. At the same meeting, the Special Group revealed that the private company would face serious and persistent financial difficulties in the next twenty years. CityU-TU pointed out that as such, CCCU would not have the financial capacity to pay the salary of these 112 employees and any recommendation to offer them a CCCU employment contract would be a **KISS OF DEATH** for them.

CityU financially
induced by UGC
not to maintain
substantiated
employees ?

31. The Special Group also revealed at the same meeting that CityU was financially induced by UGC not to maintain any sizable number of substantiated employees. CityU-TU noted that this implied that even if there was a genuine need for these 112 substantiated employees, CityU would be influenced by the UGC funding inducement not to take them on board. CityU-TU immediately pointed out that employing large proportion of temporary, part-time and short-term contract employees would seriously and adversely affect the quality of teaching.

The other Trade
Union – CityU Staff
Association
objected Council's
Special Group's
proposal,
conducted a flash
protest, and
planned to initiate
industrial and legal
actions

32. On 23 February 2007, the other Trade Union, CityU Staff Association (CityUSA) broadcasted their views via email conveying, inter alia, that “... *the process is not open and transparent but instead, closed and potentially coercive*” and “*The current offer of the three stated options, in their present form, are deemed unacceptable.*”

33. On 28 February 2007, some 50 affected staff wearing masks joined CityUSA’s flash protest at CityU to show their dissatisfaction with the Special Group’s proposal. According to reports in four local newspapers on 6 March 2007, CityUSA planned to organize a fund-raising campaign for taking legal action against CityU for breaking the employment contracts, more than 100 affected staff had signed to indicate their agreement to sue CityU. It would also call for a one day boycott of

lectures in CCCU.

University Spokesman continued to say to the local press that CityU had no intention to terminate any CityU contracts

35. Even after they had announced internally to the whole university the three termination options on 23 February 2007, CityU continued to make external announcement that there would not be any termination of university contracts. In fact, on 6 and 7 March 2007, six local newspapers reported that a CityU Spokesman confirmed that the university had **no intention to terminate or sack any teaching or administrative staff.**

CityU-TU sought help from Chief Executive candidates, legislators and Education Panel of Legislative Council

36. As the Council's Special Group still insisted to recommend termination of the 112 substantiated employees, CityU-TU, together with the Federation (a) petitioned the two Chief Executive candidates on 9 March 2007 for help, with signatures of affected colleagues; (b) appealed to Legislative Councillors for help and advice; and (c) requested a special meeting to be held by the Education Panel of Legislative Council to review the issue.

No written information on Council Special Group's revised proposal was provided

37. In the morning of 12 March 2007, CityU-TU was invited to meet with two members of the Council's Special Group. CityU-TU was informed that a revised proposal had been worked out and it was supported by the other trade union - CityUSA. No written document on the revised proposal was presented at the meeting. CityU-TU was further told that the Special Group planned to broadcast the revised proposal to the whole university at around 11:30 am and then CityUSA would respond within two hours' time via email broadcast to support the revised proposal.

Revised Option Three, reported to have been supported by CityUSA is still a termination of substantiated contracts

38. Upon repeated enquiries by CityU-TU, the two members of the Special Group verbally disclosed that the revised Option Three required (a) a new employment contract to be signed; (b) the new employment contract will not include the "Good Cause" clause (i.e. contracts will not be terminated without good cause) as contained in the existing substantiated contracts; (c) all management and personnel matters will be under the jurisdiction of the private company - CCCU and not CityU; (d) salary scale, salary level, and salary adjustment will be determined by the private company - CCCU on various criteria including its "ability to pay"; (e) any salary adjustment, pay rise etc applied to CityU staff will not be applicable to staff choosing this Option; and (f) the salary level of the staff choosing this Option will be lowered in order to bring their salary closer to that of CCCU's contract staff. Throughout the meeting, the two members of the Special Group did not disclose the identity of the employer (CityU or CCCU) for staff choosing this Option.

Who will be the future Employer? Question not answered up to now

39. Based on the information provided, CityU-TU considered the amended Option Three represented: (a) Existing substantiated contracts with CityU are terminated; (b) Continued employment is not assured, as it will depend on the “ability to pay” by CCCU, a private company (as already confirmed by Principal of CCCU on 27 February 2007, CCCU would face serious financial problem in the next 20 years); (c) Job security is not assured, as the “Good Cause” clause is not included in the new employment contract; and (d) A further cut in salary, as an “across the board” pay level will be designed for all staff working for CCCU and in addition, the salary scale and pay level will be adjustable based on CCCU’s “ability or willingness to pay”. A copy of the CityU-TU’s email sent to College Staff on this matter is enclosed at **Attachment G**.

Special Group again refused to hold an Open Forum with affected staff

40. At the said meeting, CityU-TU raised its objection to the revised Option Three as it involves in essence the termination of existing CityU substantiated contracts. Again, CityU-TU requested the Special Group to hold an Open Forum immediately to exchange views on the issue with colleagues concerned. Up to the present moment, an Open Forum has never been held either by the Special Group or CityU management.

Black Box approach adopted by Council’s Special Group : from “Open” Options to “Confidential” Options

41. On 19 March 2007, the Council’s Special Group again broadcasted to the whole CityU community that they had revised the earlier Options, without providing any details about the revised Options and invited affected staff to “*meet with two members of the Special Group for meetings of about 15 minutes each*”. It stated that “*colleagues attending the meeting will be invited to view a confidential document (not to be taken away) containing details of the refined proposals. They will then be requested to indicate their response to the proposed options by completing a proforma (attached).*” It further stated that “*signing the proforma will only indicate that at least one of the options is acceptable to you and is non-binding on which specific option to be subsequently exercised.*” **Attachment H** refers.

Option Proposal and Signed Proforma not to be taken away

42. Signing the standardized proforma would indicate that the staff shall be able to choose one of the three Options shown to him/her. Neither the signed proforma nor the Proposal can be taken away by staff for record or reference.

43. Three hours after the broadcast of the Special Group, CityUSA sent out an email broadcast stating that “*we have secured a favourable outcome from the Special Group in response to our demands..*”, the

“arrangement reached is beneficial to the staff concerned and has fulfilled the key demands we have requested from the outset” and “We .. encourage you to make an appointment to meet the two members of the Special Group..” At the end, the broadcast stated that *“For your information, we have attached an unofficial document based on our understanding of the revised options.”*

44. The revised Option Three, based on the recollection of colleagues, is presented hereunder:

“College staff choosing this option will be offered continued employment with CCCU on CityU superannuable terms, subject to the changes as set out in this announcement. Staff choosing this option will in future be subject to CCCU’s personnel and other management policies and regulations. Existing fringe benefits (housing, education allowance, leave, etc.) will be maintained throughout the period of CCCU’s employment. Salary will be maintained at June 2008 level. Staff choosing this option will retain the same rank and job title but will be subject to the CCCU salary structure and the maximum within the range for each staff grade. For those whose salary in June 2008 already exceeds the maximum for the correspondent one under CCCU’s salary structure, they will retain their existing salary on a personal basis. Any future reviews of salaries will be at the discretion of the CCCU.”

45. It is noted that details about the operation of MPF appeared in the initial Option three were replaced by the reference to “CityU superannuable terms”. In fact, **this change is cosmetic since it involves a change of terminology only.** For the initial Option, 15% CCCU contribution is paid to the Mandatory Provident Fund and for the revised Option, the same contribution is being paid to a superannuable scheme, a scheme same as the one CityU offers to its staff. The future employer for staff choosing the initial or the revised Option would still be CCCU.

**Revised Option
Three is worse off
than the Initial
Option**

46. In fact, the revised Option Three is worse off than the initial one as it includes a new condition, i.e. any future review of salaries will be at the discretion of the CCCU. This would give CCCU management **a free hand to cut staff salary at any time they like,** without the consent of those affected.

47. It is also evident that CityU would **terminate the substantiated employment contract** of those staff choosing this Option, before the private company, CCCU would sign a new employment contract with them under the new conditions.

The revised Option One bears no changes while the revised Option Two is worse off than the initial one

48. The revised Option One is found to be the same as the initial Option, except that some operational details on recruitment have been included.

49. The revised Option Two has introduced a new ex-gratia payment formula with minor enhancement based on years of service. However, in exchange for this minor enhancement, the automatic offer of two years employment contract with CCCU is withdrawn in the revised Option. As such, the revised Option Two is worse off than the initial one.

Revised Options rejected by CityU-TU and a majority of affected staff

50. As the revised Options were all **worse off** than the initial ones and once again, all revised Options would lead to **termination of substantiated employment contracts**, it was therefore no surprise that at the close of the signing operation on 22 March 2007, the majority of the 112 colleagues DID NOT SIGN the undertaking to accept any of the three Options.

CityU-TU appealed to the university community to bring back justice to 112 brothers and sisters and be aware of its devastating effect on job security and academic freedom of academics in HK

51. On 25 March 2007, CityU-TU informed the whole university community about the injustice being imposed on 112 fellow colleagues and appealed to them for their help to bring back justice to these unfortunate brothers and sisters. In the same email message, CityU-TU also pointed out to colleagues the implications of the university's action. Through the present case, CityU's Governance and Management together were challenging our much treasured and upheld substantiation system and if they succeeded, it would have a devastating effect on job security and academic freedom of all academics in Hong Kong. Because of such implications, CityU-TU had no alternative but to seek help from the Legislative Council. A copy of the email is enclosed as **Attachment I**.

Published version of revised Proposal of Special Group confirmed CityU-TU's justifications for objection

52. On 28 March 2007, the Council's Special Group at last put forth the revised Options openly by email broadcast to the whole university. **Attachment J** refers. CityU-TU noted that this published version of the revised Options was the same as the ones previously reported in para 44 of this paper, except one cosmetic change in Option Three. The original sentence in Option Three that read as "College staff choosing this option will be offered continued employment **with CCCU** on CityU superannuable terms" was replaced by "College staff choosing this option will be offered continued employment on CityU superannuable terms", with the two words "**with CCCU**" deleted. The reason for such deletion was explained by Ms. Jennifer Ng, member of Special Group in her email message which stated, inter alia, "we have made improvements to the

wording of option 3”

53. The 28 March email message from the Special Group in fact confirmed the earlier observation and analysis of CityU-TU at para. 44 – 49 and therefore it also confirmed CityU-TU’s justifications for objection.

54. The Special Group, in its email of 28 March also announced that the period for return of signed undertakings would be extended to 2 April 2007.

**Period for signing
undertakings
extended and
College staff under
exceptional stress
and undue
pressure from
CCCU
management**

55. It was noted that CCCU management - Vice-Principals and Heads of Division had been very active talking to College staff who had not yet signed the undertakings, either through visiting the colleagues’ offices or phoning colleagues up.

56. During this extension period, CityU-TU received a number of reports from College staff, saying that they had been subjected to exceptional stress and some scenario reported are listed below :

- (a) one colleague was visited five times in three days by Head of Division, enquiring and urging to respond to the Special Group;
- (b) one colleague was given a one hour talk by Head of Division on the needs to respond to the Special Group;
- (c) some College staff received several phone calls by a Vice-Principal, enquiring and urging to respond to the Special Group;
- (d) some College staff were told by a Vice-Principal that if they did not accept the Options, the 2004 Council decision, including a further 18% salary cut would be applied to them;
- (e) some College staff were told to cooperate as “ If we have a majority signing the undertakings, then there wouldn’t be a case for LegCo .”;
- (f) some College staff were told by Head of Division that there was no harm signing the undertakings as choosing Option Three would only entail a new Appendix being attached to colleagues’ existing contract; and
- (g) some College staff were told that if there were no majority supporting the proposal, the proposal would not be submitted to the Council and College staff would lose everything.

57. There was a general feeling of helplessness amongst College staff as they were faced with very flimsy official information, a lot of varying and confusing unofficial information, and pressure from CCCU

*A choice between
Life or death*

*CCCU
management's
advice contradicts
with the Special
Group's view*

management. There had never been an official clarification from the university regarding whether choosing Option Three would mean a change of employer, i.e. termination of substantiated contract with CityU.

Most importantly, they were told by CCCU management verbally that if they did not sign the undertakings, then the Council decision in 2004 would be applied to them and they might lose their job in 2008.

This verbal statement from CCCU management is definitely **contradictory to what the Chairman of the Special Group said** at its meeting with CityU-TU on 7 December 2006 – he said **“the assumptions leading to the Council’s decision in 2004 are found to be wrong by now, and we have to reconsider the issue afresh.”** CityUSA attempted on several occasions to apply its own interpretation, but its validity had never been confirmed by CityU.

*College staff does
not have a choice
NOT to sign*

*College staff felt
they should be
allowed to rescind
their agreement*

58. Under the above circumstances, affected staff in fact **does not have a choice not to sign the undertaking, as there is no choice that stipulates the wish to maintain “status quo”.** Some of them have to resort to the attitude that signing the undertakings would not be binding on them in view of the flimsy information provided and that they should be given the opportunity to rescind their agreement when the full Option was revealed to them

*Justice in Higher
Education Sector*

Our Request to CityU and Legislative Council:

58. On behalf of the 112 unfortunate brothers and sisters in the College, CityU-TU requests that justice be brought back to them and similar injustice should not be allowed to exist in the Higher Education Sector of Hong Kong.

Submitted by Mr. Nicholas Tam,
Chairman, City University of Hong Kong Teachers' Union
10 April 2007

List of Attachments

Attachment A - Letter from Executive Committee of City University Staff Association dated 31 October 2003 to Chairman of Council's Working Group objecting the draft report on Associate Degree Programme.

Attachment B - Letter from Director of Human Resources dated 28 January 2004 to College staff on adjustment of salary and arrangements during the transitional period, together with Reply Form A.

Attachment C - Letter from Executive Committee of City University of Hong Kong Teachers' Union dated 19 November 2006 to Professor HK Chang, CityU President on the Employment Rights (Eight Demands) of university teaching staff seconded to CCCU.

Attachment D - Article published by the CityU Student Union Press on College issue in the January 2007 issue

Attachment E - Email message from Communications Office, on behalf of Special Group dated 23 February 2007 broadcasting the Three Options for substantiated College staff/

Attachment F - Email message from CityU-TU dated 28 February 2007 commenting on the Three Options published by the Special Group on 23 February 2007.

Attachment G - Email message from CityU-TU dated 13 March 2007 reporting on the revised Option Three disclosed by Special Group at meeting on 12 March 2007.

Attachment H - Email message from Communications Office, on behalf of the Special Group dated 19 March 2007 broadcasting the viewing of confidential document containing details of the refined proposal and the signing of a agreement proforma.

Attachment I – Email message from CityU-TU to the whole university community dated 25 March 2007, appealing for help from university colleagues to bring back justice for the 112 brothers and sisters and explaining the reasons for Legislative Council discussion.

Attachment J - Email message from Communications Office, on behalf of the Special Group dated 28 March 2007 broadcasting the revised Options and extending the deadline for the return of signed undertakings.

ATTACHMENT A

31st October 2003

Dear Mr. SM Chung,

Views on Draft Report on Associate Degree Programme

Thank you for your letter of 17th October 2003, inviting the Staff Association of City University of Hong Kong to comment on the Draft Report compiled by the Council's Working Group on AD Programmes.

The Executive Committee met to discuss the Report on 20th October 2003, held two Open Forum for its members to express their views on 23rd October 2003 and 24th October 2003 respectively and hosted an electronic Forum in the Association's website.

Views and comments from our members and colleagues were collected and the key comments are consolidated at the Appendix.

Members of the Association are particularly concerned about the proposed change in terms and condition of employment of the College staff, especially the possible change of employer for this group of staff.

Colleagues in the College are not convinced that there are valid reasons advanced in the Draft Report to warrant the change the terms of employment from superannable terms to contract terms. The perceived flexibility achieved through such a change would result in a major downgrading of job security and condition of employment. Setting such a precedent case would upset the customary understanding and practice in the higher education sector in Hong Kong.

The proposed incorporation of a new company for the new College is met by widespread objections, as signing an employment contract with the new company would practically mean a change of employer for the College staff. The Staff Association would like to urge the Working Group to clarify as a matter of urgency whether there are any compelling reasons to set up another legal entity to look after the affairs in the new College and to provide justifications for requiring serving College staff to take up a new employment contract with this company. The Staff Association has a grave concern over the development of this issue, and would like to stress that implementing this proposal would be construed as an employer-initiated termination of employment contract.

Sincerely,

Executive Committee, CityU Staff Association

Encl.

Summary of Views collected by CityU Staff Association

With regard to the Draft Report of the Working Group on Associate Degree Programmes, the following staff views were collected:

Recommendation One

While agreeing with the guiding principle that the new College should have ‘a high degree of autonomy and flexibility to facilitate its development towards financial viability’ (p. 11 of the Draft Report), staff queried why Recommendation One imposes the restriction “primarily full-time” on pre-AD and top-up courses to be offered by the College.

It was suggested that the recommendation be re-phrased as “The Working Group recommends the establishment of a new College for the provision, primarily, of self-financing AD programmes.” while leaving open what other courses may be offered.

Recommendation One and Three

Not all staff are convinced that a “new” College needs to be established. The existing framework may be adequate to develop self-financed AD programmes.

Recommendation Four and Eight

Staff expressed serious concerns with regard to the following issues:

1. In the absence of valid justifications, staff expressed concern about the rationale for switching superannable staff to contract terms of employment from July 2004. Given its contractual obligations, the University should not make such a switch without compensation agreed by the employees concerned.
2. Staff are unclear about the extent of the guarantee to be provided by the University over the four-year contract period. A positive statement of guarantee is requested.
3. While noting that a new Company will be set up to run the new College, serving College staff consider it fair for them to continue their employment with CityU.
4. Staff whose contracts extend beyond June 2004, believe and request that their existing contracts and their remuneration package should run to the end, before new contracts and terms are agreed.
5. The 20% salary reduction from 2004 to 2008 will affect General Grade staff most. Also the blow is not cushioned by retaining housing benefits.
6. Details on the fringe benefits that will be retained, especially pension benefits need to be provided.

Recommendations Five and Six

The relationship of the Academic Board created by Senate and the academic body that would deal with College academic programmes not validated by Senate is not sufficiently clear. The title Academic Board of associate degree Studies may not be appropriate.

Recommendation Seven

Financial viability itself should constitute a sufficient basis for determining future remuneration package. For a non-profit organization “market rates” will not be the relevant criterion.

Recommendation Nine

A more positive attitude should be adopted and an outcome-oriented commitment should be made by the University. As such, recommendation nine should be reworded to reflect that the University should acquire a site that is able to meet at least the medium term development needs of the new College.

There are concerns about how burden of paying for the new building and the ownership interest in the new building will be shared between the new college and the University. The Working Group is requested to provide its recommendations on these financial issues.

Recommendation Eleven

Staff consider that June 2004 would allow too short a time for completing the necessary arrangements. Given substantial UGC funding through 2004-2005, this may not be an appropriate deadline.

Attachment B

**City University
of Hong
Kong**

Tat Chee Avenue, Kowloon,
Hong Kong H
uman Resources Office

28 January 2004

Mr. XXX
c/o Division of Commerce

Dear Mr. XXX

Adjustment of Salary and Arrangements during the Transitional Period (1 July 2004—30 June 2008)

As a consequence of the Government's decision to phase out public funding for most Associate Degree programmes offered by the University from 2004 to 2008, a Working Group on Associate Degree Programmes was set up by the Council, with a mandate to study the financial viability and related issues of offering self-financing Associate Degree programmes in the University.

The Council approved, at its meeting on 14 January 2004, the Report of the Working Group which is available at the Council website: <http://www.cityu.edu.hk/lcuc>. The Report contains, inter alia, recommendations on staffing and remunerations during the transitional period from 1 July 2004 to 30 June 2008 before the College turns fully self-financing. As these recommendations will affect your employment in the University, I am writing to inform you of the implications.

Salary Adjustment from 1 July 2004

For the transitional period from 1 July 2004 to 30 June 2008, there will be a salary reduction of 20% for Academic and Equivalent Administrative staff and 18% for General Grade staff starting 1 July 2004. The salary reduction in July 2004 will incorporate the 3% salary cut already implemented with effect from 1 January 2004. There will not be a further 3% cut on 1 January 2005. Please refer to the revised salary scale with effect from 1 July 2004 at Attachment 1.

From 1 July 2004, there will not be any salary increments. If the revenues for the College fall significantly during the transitional period (for instance, due to poor student enrolments or deeper cut in government funding than anticipated), further salary reduction would need to be considered.

/2

The salary reduction will correspondingly reduce the accrued benefits calculated on the basis of the final salary at the time of cessation of employment, which include payment in lieu of leave balance not yet cleared, and death and ill health benefits under Superannuation Scheme B (1998). The reduction will also correspondingly reduce the annual gratuity for former members of Superannuation Scheme B who have opted for annual gratuity.

The reduction has however no impact on other benefits under the Superannuation Scheme which is a defined contribution scheme (based on investment return and the vesting percentage according to Scheme Service) given that the final salary does not affect the benefits level.

The University is going through financially difficult times and hopes that you will agree to the salary reduction. I would be grateful if you could give your acceptance by signing and returning the attached Reply Form A to the Human Resources Office by 21 February 2004.

Other Transitional Arrangements

During the transitional period (1 July 2004 to 30 June 2008), subject to the salary adjustment as highlighted above, you will continue on your existing superannuable terms of appointment with the University in the College, with fringe benefits retained, until 30 June 2008. Your employment with the University will end on 30 June 2008 except in the event of re-deployment or transfer to other departments of the University on or before 30 June 2008, or early termination before 30 June 2008. When your employment with the University ends on 30 June 2008, there will be no ex-gratia compensation package, unless government funding is available for compensation purposes. Appointment thereafter, if offered by the new company of the College, will be on contract terms based on a new remuneration package to be determined at that time by the College management.

Other Options

The University is cognizant that the impending withdrawal of government funding for Associate Degree programmes will impact significantly on the employment conditions of staff. To ensure the continued success of Associate Degree programmes albeit on a self-financing basis, your continued commitment and support to the new endeavour are important.

However, if you do not wish to accept the above arrangements from 1 July 2004, you may consider the following options:

- (a) For substantiated superannuable staff, you may apply for the voluntary Departure Scheme, which is open for application until **14 February 2004**. Please refer to Administrative Note No. G1.6/OIIDECO3 for details, available under policies and regulations on BRO website: <http://www.citvu.edu.hk/hro>.
- (b) Should you neither agree to the salary reduction with effect from 1 July 2004 nor apply for the Departure Scheme, the University will terminate your employment by the, giving of appropriate notice. The University will make an exit ex-gratia payment, which will be calculated by applying the existing formula under the Policies and Procedures on Redundancy (Administrative Note No. G1 .5/01/2FUL02, available on EIRO website: <http://www.cityu.edu.hk/hro>), currently valid up to 30 June 2004.

If you have any enquiries on the above arrangements, please contact my colleagues serving your Division.

Yours sincerely,

Dr. Ellen KO
Director of Human Resources

REPLY FORM A

To Human Resources Office
City University of Hong Kong
(to return by 21 February 2004)

I have read and understood the contents of the letter of 28 January 2004 from the Director of Human Resources on Adjustment of Salary and Arrangements during the Transitional Period (1 July 2004 - 30 June 2008) and I **ACCEPT** the reduction to my salary according to the approved percentage for my grade with effect from 1 July 2004 and the freeze on any salary increments.

Signature : _____

Name : _____

Staff ID Number : _____

Post ; _____

Division ; _____

Date : _____

c.c. Acting Head (CM)
Finance Office (Payroll)

Date: Sun, 19 Nov 2006 22:26:18 +0800
From: Nicholas Tam <cmntam@cityu.edu.hk>
Subject: Employment Rights of Seconded University Teaching Staff
To: hkchang@cityu.edu.hk
Cc: Nicholas Tam <cmntam@cityu.edu.hk>, hrellen@cityu.edu.hk

**City University of Hong Kong Teachers' Union
(CityU-TU)**

19 November 2006

Letter to Prof. H K Chang, President, CityU

Dear Prof Chang,

**Employment Rights of University Teaching Staff seconded to the Community College of
City University**

Thank you for instructing Dr. Ellen Ko, Acting Vice-President (Administration) to meet with us on 1st November 2006 on issues raised by the City University of Hong Kong Teachers' Union (CityU-TU). We trust that Dr. Ko has conveyed to you and the Management Board of CityU our views on the employment rights of university teaching staff seconded to the Community College of City University (CCCU).

As we have not heard from you, we feel obliged to forward to you **direct** our eight demands on the seconded university teaching staff issue:

1. University teaching staff seconded to CCCU have always been and should continue to be employees of the City University of Hong Kong;
2. Seconded university teaching staff who are superannuated should continue their superannuable terms of employment with the City University of Hong Kong until their retirement age of 65;
3. The CCCU which is a private company should have no authority over the terms of employment of seconded university teaching staff;
4. The strategic plan relating to the CCCU, for example, changes to be taken place in 2008 and expenses relating to the new Community College building, should not be linked in any way with the terms of employment of seconded university teaching staff;
5. In 2004, these seconded university teaching staff signed the agreement for salary reduction of 20% under highly disturbing atmosphere. As the University has proven to have sufficient capacity to pay for the unreduced salary commitments of these seconded university teaching

staff, the reduction of 20% salary is unfair and unjustified. Immediate action should be taken by the University to pay back the reduced portion of the salary to the affected university teaching staff, with interest and should stop the salary reduction with immediate effect.

6. Besides signing the agreement for salary reduction, seconded university teaching staff have never agreed to any other changes in their terms of employment or the change of employer. The University, CCCU and any other parties involved should immediately stop to claim that all seconded university teaching staff will be converted to contract terms of employment offered by the CCCU or ceased to be employed by the City University of Hong Kong in 2008;
7. Except for those seconded university teaching staff who choose to remain, all seconded university teaching staff should be transferred back to serve the City University of Hong Kong, instead of serving the private company of CCCU.
8. If the secondment has to be continued for administrative convenience, the university terms of employment of these seconded teaching staff should be retained and guaranteed by the City University of Hong Kong. In any case, these seconded teaching staff should be transferred back to the University as soon as possible.

In view of its urgency and importance, we would like to request to have a meeting with you on this issue at the earliest opportunity.

Regards,

Executive Committee

City University of Hong Kong Teachers' Association (CityU-TU)

ATTACHMENT D

外借教師要回家

【本報訊】日前有傳媒報道，一百五十名原先由城大本部聘用，後來被借調至專上學院的教職員將於二零零八年被裁。為此，校方曾與城大教師工會磋商，希望尋求共識，可惜事件至今尚未有進展。

削資成事件導火線

事情起因可追溯至一九九一年，城大專上學院的前身高級專業學院（College of Higher Vocational Studies）成立之時。當時高級專業學院在政府資助下開設高級文憑課程（即現時副學士的前身）。一如城大其他部門，高級專業學院屬於大學的一部份，一批在大學各學系任教的講師，經過嚴格考核下，被調至這新的學院任教及成為核心創院成員。從一九九一至二零零一年，高級專業學院發展迅速，教職員人數已增加至超過 200 人。大部份教職員都是以大學責任制聘用的，即除非他們嚴重違反操守，否則直至退休也不應被辭退。

及至二零零二年，大學教育資助委員會的年度報告提出縮大大學校董會規模及削減大學經費等策略性改動。翌年，政府決定把資助副學士的學額由零四年約四千八百個逐步削減至零八年的一千個。為此，校董會成立工作小組，研究城大副學士未來的發展。同年十二月，小組提交工作報告，建議設立私人公司以自負盈虧模式營運，維持課程質素，獲校方採納，並於零四年七月把高級專業學院正式易名為專上學院（Community College of City University）。

有別於高級專業學院，新的專上學院是一所獨立的私人機構，並不隸屬於城大，從2004年7月1日開始，為數約百多名由城市大學聘用的責任制員工在非自願的情況下，從高級專業學院被借調到這私人公司工作。所有在專上學院成立後，即二零零四年後聘請的員工都是以私人公司合約制聘用。在自負盈虧的運作模式下，為了降低成本及簡化制度，校方早於零四年便計劃把該百多名由城市大學聘用的責任制員工轉為由專上學院以合約制聘用，但由於當時反對聲音不絕，故把計劃推遲至零八年實行。惟教職員仍需減薪兩成，而教育津貼、房屋福利等則維持不變至零八年，校方更表明不會有特別的恩恤賠償。有教職員擔心零八年時會被大幅減薪、取消福利，甚至被校方單方面解僱，故發起是次抗爭行動。

士氣低落 人手不足 人心惶惶

現時城大的師生比例為一比十六點八，遠比專上學院的一比二十八為低。此外，城大教師與職員的人數比例為一比二，專上學院則為三比一，相比之下專上學院教師的日常工作應更為繁重。據城大教師工會主席譚沛灝指出，現時外借予專上學院的教師皆人心惶惶，他們除了要承受龐大工作量所帶來的壓力外，還可能隨時被辭退。他說：「城大未有調回外借的教師，卻不停向外招聘新的教職員。現時政府已停止對大學削資，城大財政健全，卻向基層員工開刀，是不負責任及影響士氣的做法。」他更表示，教職員已快臨「爆發點」，假使校方要裁員，教師亦需要一段時間尋找工作，故他要求校方最遲於六月前給予答覆。

工會指出，校方為應付三三四學制，需增聘大量教職員。因此，工會要求校方將該批外借的教職員調回本部，以扭轉城大近年因過度側重研究而輕視教學的情況。他表示：「教研分家可達至一個三贏的局面。因為教研分家可使教職員專注於教學或研究其中一方面，從而提升教研兩方面的水平。」而專上學院亦可從新部署它的人手安排。」

校方解僱無理

根據校董會財政報告，校方上年度（即零五至零六年度）約有五、六億盈餘，其中一億五千萬來自專上學院。在財政健全的情況下向基層員工開刀，做法惹人非議。譚表示若在如此龐大盈餘的情況下，仍把這批教職員解僱，是不合理和不公義的。然而，校方對於上述講法有所保留。處理這次事件的三人小組成員之一，副校長（行政）古羅燕蘭解釋，由於專上學院將會興建一幢新大樓，該筆儲備主要是用來償還建築費給政府，因此不能單看賬面數字。譚質疑道：「拿教師的薪水供樓，但大樓卻不是屬於他們的，這合理嗎？」

現時雙方已完成初步對話，反應未如理想。工會考慮將抗爭行動「升級」，並稱若校方堅持解僱有關講師，他們不排除興訟或絕食。當被問及工業行動會否影響學生時，譚指出作為教師，所有工業行動都以不影響學生為大前提。倘若未來抗爭行動「升級」，他們不排除興訟、遊行或絕食抗議。他道：「如果影響到學生的話，當初我又為何當老師呢。」

教師盼回家

這批150名借調到專上學院的教員有八成屬俗稱長工的實任制員工，兩成為合約制員工。譚沛灝相信，校方解僱這批教員後，會由專上學院以較低薪酬重新聘用他們。該百多名教員最大的希望是校方體諒各老師的苦況，還予他們應得的權益，讓他們「回家」。譚又指出：「既然私人公司負擔不起這班人才的薪水，為何大學不留著他們呢？」譚又強調，實任制是維護大學運作的基本精神，不應被無理摧毀。因為實任制給予教師學術自由，較難被校方干擾，是對老師的一種肯定。

對此，校方表示會盡力挽留對學校有貢獻的同事，如職位還有空缺才會對外招聘。羅副校長補充道：「該批教師大多是高級專業學院的開國功臣，清楚課程要求，沒理由捨易取難，聘請新教師，因此不會無故解僱他們。」未來數年教師人手緊張，這不僅是城大，而是全港所有大學都會遇到的問題。羅副校長希望各院校間維持健康競爭。在三三四改革後，大學將會聘請百多名新職員。屆時，如果專上學院有合適人才，大學亦會吸納。

羅副校長一再強調，校方沒有解僱任何教職員的意思，亦不是想剝削員工，希望日後與這些團體保持緊密溝通，找出一個雙方都接受的方案以解決問題。

Date: Fri, 23 Feb 2007 11:34:05 +0800 (CST)
From: Communications Office <como_msg@cityu.edu.hk>
Subject: [EBS] College Transition
To: Email Broadcast System Message 0000061990 <hidden-list@cityu.edu.hk>
Reply-to: Communications Office <como_msg@cityu.edu.hk>

Dear Colleagues,

College Transition

As the College progresses towards a fully self-financed status after June 2008, it is now opportune for the University to consider the best arrangement to facilitate the transition. One key issue to be addressed relates to the future employment of a sizeable number of College staff appointed on University superannuable terms of service.

The Special Group to advise the Council on College transition to 2008 has consulted with appropriate College staff groups to gauge staff's desires and sentiments. Taking into account the views concerned, and attempting to strike a balance between the best interests of the staff and of the University, the Special Group proposes that all College staff appointed on University superannuable terms will be offered a free choice of one of the following THREE options. All three options are subject to further modifications by the Special Group after consultation with staff before submitting to the Council of City University of Hong Kong.

A. Option 1

Continued employment on University superannuable terms for one year

Continued employment on University superannuable terms for a period of one year (from July 2008 to June 2009). During this period, the staff will serve in the Community College of City University of Hong Kong (CCCU) and be subject to CCCU's personnel and other management policies and regulations. The staff may apply for relevant positions available in the Departments or elsewhere in the University. For those who do not get a position by June 2009, redundancy procedures in accordance with the prevailing Redundancy Policy of the University will apply. An ex-gratia payment will be payable to relevant staff

The current formula for payment: $E = Y/2$ times of last basic monthly salary

where E = ex-gratia payment
 Y = number of years of prior continuous service with the University

B. Option 2

Early retirement from University and re-employment on CCCU contract terms

Early retirement from the University with an ex-gratia payment, calculated up to June 2008, using the following formula: $E = (3 + Y/2)$ times of last basic monthly salary. All serving staff who choose this option will be offered appointment with the CCCU which they may

accept or decline, at the same rank on CCCU contract terms of two years, renewable subject to mutual agreement. There will be no provisions for housing benefits, educational allowances, passage or other benefits commonly associated with superannuable terms of appointment at the University. There will be no contract gratuity but there will be provision for annual year-end performance bonus. Entitlement to annual leave will be in accordance with prevailing CCCU policy. Basic salary under the new contract will be maintained at the June 2008 level. Those staff members who are due to retire from the University by 30 June 2008, and those with not more than 12 months of service remaining with the University after June 2008 before retirement will not be eligible for this option.

Staff will leave the University Superannuation Scheme, but can either withdraw their superannuation funds or choose to roll over the superannuation funds from the University Scheme to his/her new personal investment account (except Money Funds) subject to terms and conditions of the unit trusts.

C. **Option 3**

Continued employment with CCCU with expanded MPF or annual gratuity

All current College staff appointed on University superannuable terms will be offered continued employment with CCCU with 15% College contribution to the Mandatory Provident Fund or an annual gratuity of the same amount. As in Option 2, staff will leave the University Superannuation Scheme, but can either withdraw their superannuation funds or choose to roll over the superannuation funds from the University Scheme to his/her new personal investment account (except Money Funds) subject to terms and conditions of the unit trusts. Staff choosing this option will in future be subject to CCCU's personnel and other management policies and regulations, with retirement age to be kept at that already opted for. Existing fringe benefits (housing, educational allowances, leave, etc) will be maintained throughout the period of CCCU's employment. Salary will be maintained at June 2008 level.

To explain the details of the options and answer any queries individual staff may have about these options, the Special Group will be inviting each College staff appointed on superannuable terms to meet individually with two members of the Group, Dr Ellen Ko, Vice President for Administration and Ms Jennifer Ng, Principal, CCCU, to be accompanied by Mrs Eva Ng, Acting Director of Human Resources. The meetings will be held in the College Conference Room on March 5-7, 2007 with an expected duration of about 10 minutes for each meeting. Colleagues concerned are invited to confirm your availability for the scheduled meeting with the College Office either in person, by email to oyan.wong@cityu.edu.hk or at 3442-6062 **by close of business on February 28, 2007.**

We look forward to hearing your views.

Sincerely,

Vincent Chow, Chairman, Special Group on College Transition
Dr Ellen Ko, Vice-President for Administration
Ms Jennifer Ng, Principal, CCCU

23 February 2007

Communications Office
on behalf of The Special Group to advise the Council on College transition

Date: Wed, 28 Feb 2007 13:11:14 +0800
From: "Nicholas P.H. Tam" <CMNTAM@cityu.edu.hk>
Subject: CityU-TU's Meeting with Council's Special Group
To: CityU Seconded Staff

City University of Hong Kong Teachers' Union
(CityU-TU)

Dear Colleagues,

Meeting with Council's Special Group on 27 February 2007

Please be advised that CityU-TU had a meeting with CityU Council's three-person Special Group on Tuesday 27 February 2007. This is our second meeting with the Special Group since it was set up.

At the meeting, CityU-TU expressed regret and disappointment that the Special Group chose not to consult with the Trade Unions before announcing their three options to the whole CityU community. The following points were then raised:

- (1) CityU-TU's interpretation and understanding of the three options are:
 - a. Option One - one-sided unjustified termination of superannuable employment with CityU in 2009;
 - b. Option Two - one-sided unjustified termination of superannuable employment with CityU in 2008; and
 - c. Option Three - one-sided unjustified termination of superannuable employment with CityU in 2008.
- (2) As all three options fail to recognize the Employment Rights of seconded CityU superannuated staff, CityU-TU does not accept any of the options.
- (3) CityU-TU re-asserts that the Home-coming Right and the Employment Rights as stipulated in our Eight Demands represent the bottom line.

At the request of CityU-TU, the Special Group agreed to hold an **Open Forum** as soon as possible for exchanging views on the issue in question.

Regards,
Executive Committee
City University of Hong Kong Teachers Union (CityU-TU)

ATTACHMENT G

Date: Tue, 13 Mar 2007 21:59:12 +0800
From: Nicholas Tam cmntam@cityu.edu.hk
Subject: CityU-TU's Meeting with Special Group on 12 March
To: All College Staff

City University of Hong Kong Teachers' Union (CityU-TU)

Dear Colleagues,

Meeting with Dr. Ellen Ko and Ms Jennifer Ng of Council 's Special Group on Monday 12 March 2007

At our third meeting with the two members of the CityU Council 's Special Group on Monday, 12 March 2007, the Special Group verbally presented an amended Option Three with the following features:

1. A CityU superannuation scheme will be provided; and
2. Salary scale will follow that of CCCU.

Upon further inquiry by CityU-TU, the following information is revealed:

1. A **new** contract has to be signed;
2. The new contract does not include the “ **Good Cause** ” clause (i.e. contracts will not be terminated without good cause) as contained in the existing superannuable contracts;
3. All management and personnel matters will be under the jurisdiction of CCCU and **not** CityU;
4. Salary scale, salary level, and salary adjustment will be determined by CCCU on various criteria including its “ **ability to pay** ” ;
5. Any salary adjustment, pay rise etc applied to CityU staff will **not** be applicable to staff choosing this Option; and
6. The salary level of staff choosing this Option will be brought closer with that of existing CCCU ' s contract staff.

CityU-TU considered the amended Option Three represents:

1. Existing superannuable employment contracts with the University are terminated ;
2. Continued employment is not assured, as it will depend on the “ ability to pay ” by CCCU, a private company;
3. Job security is not assured, as the “ Good Cause ” clause is not included in the new employment contract; and
4. A further cut in salary, as an “ across the board ” pay level will be designed for all staff working for CCCU and in addition, the salary scale and pay level will be adjustable based on CCCU ' s “ ability or willingness to pay ” .

In view of the above observations, CityU-TU raised **objection** to this amended Option Three at the said meeting. We also asserted that we would **object to any changes to existing superannuable contracts**.

CityU-TU again urged the Special Group to hold an **Open Forum** immediately to exchange views on the issue in question with colleagues concerned.

Regards,

Executive Committee
City University of Hong Kong Teachers' Union (CityU-TU)

ATTACHMENT H

Date: Mon, 19 Mar 2007 16:28:04 +0800 (CST)
From: Communications Office <como_msg@cityu.edu.hk>
Subject: [EBS] College Transition
To: Email Broadcast System Message 0000063143 <hidden-list@cityu.edu.hk>
Reply-to: Communications Office <como_msg@cityu.edu.hk>

Dear Colleagues,

College Transition

Following the announcement of tentative proposals on Options for College staff on University superannuable terms on February 23, 2007, the Special Group to advise the Council on College transition to 2008 has consulted with individual staff of the College and different staff groups.

Upon further deliberations and taking into account the views expressed by staff, the Special Group is considering the merit of revising the options to be recommended to the Council of City University of Hong Kong. At a specially convened joint meeting of the College Executive Committee (which includes elected staff representatives) and the College Staff Consultative Committee (with elected staff representatives from each division of the College) with Members of the Special Group last week, we received the unanimous support of all present for the refined proposals.

In deciding whether to put forth the refined proposals to the Council, the Special Group will need to ascertain the views of staff affected. In this connection, all College staff on University superannuable terms of service are invited to meet with two Members of the Special Group, Dr Ellen Ko, Vice-President for Administration, and Ms Jennifer Ng, Principal of CCCU, on the afternoons of 21-22 March, 2007 for meetings of about 15 minutes each. Please feel free to group yourselves into small groups of about four and call 3442-6062 or email oyan.wong@cityu.edu.hk to reserve your time slot on a first-come, first-served basis.

To help the Special Group to collate staff views systematically, colleagues attending the meeting will be invited to view a confidential document (not to be taken away) containing details of the refined proposals. They will be then be requested to indicate their response to the proposed options by completing a proforma (attached). For those colleagues who are not available for the meetings, they may wish to visit the College Office from Wednesday (March 21, 2007) onwards to complete the proforma.

Signing the proforma will only indicate that at least one of the options is acceptable to you and is non-binding on which specific option to be subsequently exercised.

The Special Group has attempted to strike a balance between the interests of staff and that of the University and the College as it refines the draft proposals. The proposals now being considered to be presented represent the best options we can develop. In the event of insufficient support from staff for these proposals the Special Group may have to reassess whether or not to put forth the refined proposals to the Council. We would like to take this opportunity to thank all colleagues who have expressed their views for their understanding and cooperation in the past weeks. We look forward to your support for us to proceed.

Sincerely,

Mr Vincent Chow, Chairman
Dr Ellen Ko, Vice-President for Administration
Ms Jennifer Ng, Principal, CCCU

March 19, 2007

Issued by the Communications Office
On behalf of the Special Group on College Transition

ATTACHMENT I

Date: Sun, 25 Mar 2007 19:15:09 +0800
From: Nicholas Tam <cmntam@cityu.edu.hk>
Subject: LegCo Review of College Issue
To: All Teaching Staff in CityU and CityU Management

City University of Hong Kong Teachers' Union
(CityU-TU)

Dear Colleagues,

In Support of 112 CityU Substantiated Employees and their families

With profound sadness and a heavy heart, we bitterly announce that despite the best of our effort in the past five months, time and again demonstrating our good intent in the persuasion and negotiation, the Council's Special Group still insists to recommend termination of our stricken brothers and sisters, a total of 112 substantiated CityU employees.

At the time some of our colleagues are fighting for a pay rise of some 13.5%, these unfortunate brothers and sisters who are deployed to work in CCCU are fighting desperately for their mere survival.

As a trade union, the fate of these colleagues as well as their families is our immediate and urgent concern. But the collapse of the "substantiation system" raises a universal issue in the higher education sector. Through this case, CityU Governance and Management together are challenging our much treasured and upheld substantiation system and if they succeed, it would have a devastating effect on job security and academic freedom of all academics in Hong Kong.

In view of the seriousness of the issue, CityU-TU has no alternative but to bring this matter up to the Legislative Council. With the support and help of Legislative Councillors, as well as the Federation of the Higher Education Staff Associations, the **Education Panel of the Legislative Council** agreed on 22 March 2007 to review this CityU issue at their meeting to be held on **Monday 16 April 2007**.

For your information, the first bad news for these 112 colleagues was made via EBS on the sixth day of Lunar New Year – 23 February 2007. The Council's Special Group announced three Options for these colleagues to choose, all are one-side unjustified termination of substantiated employment contracts with the University. CityU-TU objected to the proposed termination and

the Special Group promised to review the Options. On 12 March 2007, two members of the Special Group revealed a revised Option 3 to the CityU-TU. This was rejected by the CityU-TU as it is not an improvement but in real effect, it is still a termination of substantiated employment contract. Despite CityU-TU's repeated requests, the Special Group refused to hold an Open Forum to exchange views with affected staff. Instead, the Special Group proceeded with a "black-box" operation of asking affected staff to meet with them (VP Admin and Principal of CCCU) in person or in small groups to view the confidential refined Options and sign an individual undertaking. **Neither a copy of the Options nor the signed undertaking is allowed to be taken away by the staff.** To everybody's surprise, disappointment and anger, the refined Options which were made known to colleagues on this "Confidential and Personal" basis on 21 and 22 March 2007 were worse off than the initial Options. In the morning of 23 March 2007, VP (Admin) verbally admitted to the Chairman of CityU-TU that at the close of the operation, the majority of the 112 colleagues DID NOT SIGN the undertaking to accept any of the three Options.

It is evident that CityU is prepared to deny its responsibility and pass the buck to CCCU, pushing its own employees to CCCU. You may wish to note that CCCU is a private company with no share capital and with serious and persistent financial problems in the next twenty years (as confirmed by the Principal of CCCU at our meeting with the Special Group on 27 February 2007). It is therefore almost certain that CCCU will not have the financial capacity to maintain these 112 colleagues. Offering these 112 CityU substantiated employees employment contracts with CCCU would be in reality a kiss of death for them.

We would like to appeal to the whole CityU community for your support to stop this injustice and, together, to ensure similar injustice will not recur in the future amongst our brothers and sisters.

To our 112 brothers and sisters:

"We will stand by you and our Fight for you will go on."

Regards,

Executive Committee

City University of Hong Kong Teachers' Union (CityU-TU)

Date: Wed, 28 Mar 2007 09:28:34 +0800 (CST)
From: Communications Office <como_msg@cityu.edu.hk>
Subject: [EBS] College Transition
To: Email Broadcast System Message 0000063569 <hidden-list@cityu.edu.hk>
Reply-to: Communications Office <como_msg@cityu.edu.hk>

Dear Colleagues,

College Transition

The Special Group has made refinement to the options proposed on February 23, 2007. The refined proposed options are as follows:

A. Option 1

Continued employment on University superannuable terms for one year

Continued employment on University superannuable terms for a period of one year (from July 2008 to June 2009). During this period, the staff will serve in the Community College of City University (CCCU) and be subject to CCCU personnel and other management policies and regulations. The staff may apply for relevant positions available in the Departments or elsewhere in the University. The Special Group undertakes to recommend to the Council that the University considers ways in which the selection of such staff by the University may be facilitated, subject to their being able to meet the selection criteria of the relevant faculties or departments for the available positions. Redundancy procedures in accordance with the prevailing Redundancy Policy of the University, including an ex-gratia payment, will apply for those who do not get a position by 1 July 2009.

The current formula for payment: $E = Y/2$ times of last basic monthly salary

where E = ex-gratia payment
 Y = number of years of prior continuous service with the University

B. Option 2

Early retirement from University and re-employment on CCCU contract terms

Early retirement from the University with an ex-gratia payment, calculated up to June 2008, following the formula of the Departure Scheme offered to staff in 2003 where $E = (V + Y/2)$ times of last basic monthly salary and where V is a variable factor ($V = 2$ to 6) linked to the number of years of continuous prior service.^{Note} The ex-gratia payment will be subject to a maximum of 15 months salary.

At the discretion of the CCCU, staff choosing this option may be offered further employment with the College on CCCU contract terms which staff may accept or decline. Salary under the new contract will be maintained at the June 2008 level but there will be no provisions for housing benefits, educational allowances, passage or other benefits commonly associated with superannuable terms of appointment at the University. There

will be no contract gratuity but there will be provision for annual year-end performance bonus. Entitlement to annual leave will be in accordance with prevailing CCCU policy. Under the new contract, staff will retain the same rank and job title but will be subject to the CCCU salary structure and the maximum within the range for each staff grade. Those staff members who are due to retire from the University by 30 June 2008, and those with not more than 12 months of service remaining with the University after June 2008 before retirement will not be eligible for this option.

Note:

where E = ex-gratia payment
V = variable to be determined by Y

<u>Y</u>	<u>V</u>
2 or less	2
Over 2 ?6	3
Over 6 ?10	4
Over 10 ?14	5
Over 14	6

Y = Number of years of continuous prior service with the University, from the first day of employment at the University on regular terms of appointment (whether on fixed-term contract or on superannuable terms) to 30 June 2008

M = Basic monthly salary at 30 June 2008

C. Option 3

Continued employment on CityU superannuable terms

College staff choosing this option will be offered continued employment on CityU superannuable terms, subject to the changes as set out in this announcement. Staff choosing this option will in future be subject to CCCU's personnel and other management policies and regulations. Existing fringe benefits (housing, educational allowances, leave, etc) will be maintained. Salary will be maintained at June 2008 level. Staff choosing this option will retain the same rank and job title but will be subject to the CCCU salary structure and the maximum within the range for each staff grade. For those whose salary in June 2008 already exceeds the maximum for the corresponding one under CCCU's salary structure, they will retain their existing salary on a personal basis. Any future reviews of salaries will be at the discretion of the CCCU.

To enable those colleagues who have not had the opportunity to discuss the options with the Special Group, Dr Ellen Ko, Vice-President for Administration, and Ms Jennifer Ng, Principal, CCCU, will be available for meetings with colleagues concerned on Friday, March 30, 2007, from 2:30 p.m. to 5:30 p.m. In order to accommodate as many colleagues as possible, Dr. Ko and Ms Ng will meet concerned colleagues in small groups. Please call 3442-6062 or email oyan.wong@cityu.edu.hk to reserve preferred timeslots. A copy of the Proforma is attached for colleagues to complete and return to the College Office the latest **by 5:30 p.m. on April 2, 2007.**

Colleagues will appreciate that the Special Group would wish to see wide support for the proposal from staff before it decides to put it forward to the Council for its consideration.

Sincerely,

Mr Vincent Chow, Chairman, Special Group on College Transition
Dr Ellen Ko, Vice-President for Administration
Ms Jennifer Ng, Principal, CCCU

Issued by the Communications Office on behalf of the Special Group

March 28, 2007