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Your ref: CB1/BC/9/08

2 November 2009

Bills Committee  
Legislative Council  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong

(Attn: Ms Joanne MAK, Clerk to Bills Committee)

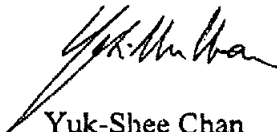
Dear Ms Mak,

**Bills Committee on Public Officers Pay Adjustment Bill**

I write in response to your letter of 28 October 2009 on the captioned subject. Despite the delinking of the University pay from that of the civil service in 2003, we have followed in past years the general practice that staff salaries are adjusted in accordance with the pay adjustment to civil servants at comparable levels. As you know, the University's block grants are adjusted in accordance with civil service pay adjustment. Hence, in the event of a pay cut on the civil service, the University will have to consider the negative fiscal impact of the pay cut on its budget and explore possible options to deal with the issue, taking into account a number of factors including the University's fiscal position, staff morale and our competitiveness in recruiting and retaining good quality staff. Moreover, pay adjustment of our staff would have to be made in accordance with the terms of their contracts and the relevant provisions under the Employment Ordinance, as well as the provisions of the Lingnan University Ordinance. In this regard, I wish to add that approval by the Council as well as the consent of staff concerned are required for implementing any proposed pay cut.

Thank you for your kind attention.

Yours sincerely,



Yuk-Shee Chan  
President