

CB(1)250/09-10(05)

THE UNIVERSITY OF HONG KONG

香 港



大 學

校長：徐立之教授
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By Fax (2121 0420) and Mail

Your Ref.: CB1/BC/9/08

November 2, 2009

Legislative Council
Hong Kong Special Administrative Region
of the People's Republic of China
Legislative Council Building
8 Jackson Road
Central
Attention: Ms Joanne Mak

Dear Ms Mak,

Bills Committee on Public Officers Pay Adjustment Bill

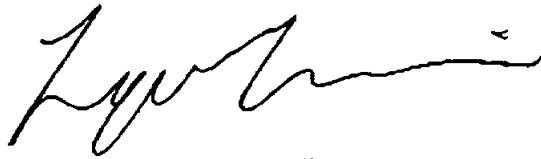
Thank you for your letter dated October 28, 2009.

2. I affirm that civil service pay adjustments did impact upon our University's pay adjustments in the past, and will continue to do so. Despite the delinking from Civil Service salary structures, the subvention we receive from the Government follows Civil Service pay adjustments. We have therefore in the past, and to a very considerable extent, passed on salary adjustments to our staff.
3. The delinking has however freed us from *strict* adherence to the Civil Service's formula of pay adjustments and has permitted us to take decisions which align with our policies and practices. Nevertheless, since the delinking, and for the reason stated above, we have, to a large extent, taken civil service pay adjustments into account when making salary adjustments.
4. One foreseeable outcome to making a negative salary adjustment of 5.38% to our senior staff is that the University's salary structures will henceforth be *permanently* affected. This will seriously weaken our competitive edge in senior academic staff recruitment, as we compete with prestigious universities on a global scale for expertise. Moreover, the relativity between senior and middle/lower-ranking staff salary scales will likewise be *permanently* altered. This too will carry long-term consequences for human resource management and especially compensation policy in universities.

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5. Due to the considerable long term financial and human resources implications involved, we have not finalized our decision as yet on whether, and if so how, to adjust the salaries of our staff if the Government subvention is reduced as a result of passage of the Public Officers Pay Adjustment Bill.

Yours sincerely,



Professor Lap-Chee Tsui
Vice-Chancellor

cc. Hon IP Kwok-him, GBS, JP (Chairman)