

June 30, 2009

Secretary
Education Panel, LegCo
Hong Kong

Dear Hon Chairman & Members in the Education Panel of LegCo,

Re: Remuneration arrangements for the Community College of the City University of Hong Kong (6:00 pm - 6:30 pm, Monday July 6 2009, Education Panel Special Meeting)

Staffs seconded to the self-financed CCCU (**Community College of the City University**) of City U (City University of Hong Kong) is demanding the retrieval of a 20% pay and benefits cut since 2004. This is being put forth by the newly formed union CUSSUS (City University Substantiated Staff Union [SCOPE]). Demands in the same vein have been put forth by other bodies as well:

1. Staff members in the Working Group which partook in setting up the pay-cut sensed a problem with background assumptions, and demanded adjustments to the cut with former City U Council Chair Sir Gordon Wu early 2004, even before CCCU had become fully functional.
2. City University Teachers' Union (CityU TU) wrote to former University President HK Chiang 6/11/2006, listing the pay retrieval as one of the 8 demands from staffs seconded to CCCU.
3. City University Staff Association (CityU SA), City U's largest staff union wrote former CityU Council Chair Mr. Chung, Sui Ming on 19/12/2007 and demanded a pay redress when it was clear from CCCU's 06—07 report that a surplus in excess of M\$300 had been accumulated.

4. CityU TU wrote VP Administration Dr. Ellen Ko, 2/7/2008 just before the affected staffs were further redeployed from CCCU to the City U's School of Continuing & Professional Education (SCOPE), alerting the University that pay retrieval remained an item to be addressed.
5. CUSSUS wrote University President Wai 22/4/2009 introducing the union and voicing the pay retrieval as the union's first concern.

All these past efforts were fruitless; with most if not all drew neither reply nor response. Furthermore, an attempt by the Staff Elected Council Member to introduce the concern for discussion at a University Council meeting late last year was snapped off, with administration noting that the issue had been closed since the concerned staff signed and agreed to the 20% salary cut.

This is why CUSSUS has to refer the matter to LegCo.

It is clear how little the university is willing to share with the concerned staffs despite the latter's time proven loyalty and contribution. Moreover, while the university appears to be religiously legalistic, it is heartlessly abusing the legal system, whose higher intent is to advance rather than hinder humanity and good will.

It was innocent enough to seek staff support to overcome foreseen difficulties. Not so trivial it would be, however, for an institution solvent on the whole to alter a substantiation contract for a unit in isolation. Mind you, the alteration was initiated based on a prediction, before any insolvency had been realized.

Yes, the staffs signed an agreement for the pay cut. However, now that the assumption of a loss as informed the staff has never materialized, were the staffs signing under informed consent?

Not so innocent was the failure to initiate a reversion of the pay cut after the first year of two of repeated surplus. Furthermore, we would consider it at least pretence to carry on the pay cut at the third and the fourth year of continued prosperity. While the legal system allows this, should society tolerate? Now the surplus, it seems might be part of the financial fall back

for a contemplated private university in which the sacrificing staffs have no share.

In fact, CityU is abusing its autonomy privilege. CityU TU raised the 8 demands of the concerned staffs in a 25 May 2007 LegCo hearing in which CityU defenseless, was strongly urged to resolve the related problems actively. Yet, to date, all CityU has done is to have the concerned staffs along with the top-up degree programs they had developed channeled into SCOPE. Once again, these staffs are told that they have to maintain or further develop programs to assure profits. Salary has NOT been redressed meanwhile.

The fact is bare. Surplus enabled by the concerned staffs has cumulated to exceed M\$400, while less than 10% of it, that is, M\$40 would be enough to fulfill the pay retrieval demand of these battered selves. Even economic rationality remains a prize vision of management, the words of economist John Maynard **Keynes**, “When the **facts change**, I **change** my mind” should be heeded.

CityU dominated the market of sub-degree programs for years, and many of the same staffs suffering from the pay cut played a significant role in this branding. It goes without saying that the value of this branding stretches far more than the tangible M\$400 surplus mentioned, to say less of the pay cut in question. It is perilous to the intangible value achieved, when CityU is allowed to escape its teaching and guidance to students in term of corporate citizenship and social responsibility, for which, abusing and debasing its loyal staffs is a negative case in point. What would people say if a CityU graduate falling short of legitimate expectation in treating his employees cited the alma mater as the model?

In conclusion, CityU administration shows no courage to bear the responsibility of its own projection blunder. As a public institution carrying a huge government funding, it exhibits little to no sensitivity in keeping huge profits, but dumping to the related staffs, all the risks in running its self-financed programs. It is heartless in shutting all doors to negotiation or considerations for redressing the salary of the related staffs

who worked extra hard and well to maintain institutional profit all along.

This is a public interest, as there are only 8 universities in HK, and City University of Hong Kong is certainly highly associated with HK's image. In fact, the university ought to be a model in conduct and morality that shapes HK for generations to come. I urge the Education Panel to consider:

1. Recommending strongly that the pay cut, and remuneration mentioned be redressed without further delay so that the affected staffs would be released from their already prolonged demises, and
2. Declaring the situation to be a public interest, rectification of which a public good, so that the conscience of the institutions of higher learning in HK does not turn inferior to legitimate expectations from society at large.

To avoid belaboring the panel unnecessarily, I have refrained from appending any evidential documents. Please feel free to summon for them at will. Furthermore, I have registered to avail myself at the meeting. Should you deem helpful, I shall be happy to speak or answer questions on the above observations to the best of my knowledge.

Sincerely,

Oswald Siu, Dr. Sc (Harvard)
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