

立法會
Legislative Council

LC Paper No. CB(2)3328/03-04

(These minutes have been
seen by the Administration)

Ref : CB2/PL/ED

Panel on Education

**Minutes of special meeting
held on Monday, 5 July 2004 at 4:30 pm
in the Chamber of the Legislative Council Building**

Members present : Hon YEUNG Yiu-chung, BBS, JP (Chairman)
Dr Hon YEUNG Sum (Deputy Chairman)
Hon CHEUNG Man-kwong
Hon LEUNG Yiu-chung
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon SZETO Wah
Hon Tommy CHEUNG Yu-yan, JP
Hon WONG Sing-chi
Hon Audrey EU Yuet-mee, SC, JP
Hon MA Fung-kwok, SBS, JP

Members absent : Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Hon SIN Chung-kai, JP
Dr Hon LO Wing-lok, JP

Public Officers attending : Mr Michael STONE, JP
Secretary-General
University Grants Committee

Miss Mary TSANG
Deputy Secretary General (1)
University Grants Committee

Ms Irene YOUNG
Principal Assistant Secretary for Education and
Manpower (Higher Education)

Resource Person

The University of Hong Kong

Mr Philip LAM
Director of Finance

Ms Judy CHUNG
Acting Head of Human Resource Section

The Chinese University of Hong Kong

Mr CHAN Chun-wing
Bursar

Mr YUEN Kin-chung
Acting Director of Personnel

Hong Kong University of Science and Technology

Mrs Alice FOK
Director of Personnel

City University of Hong Kong

Dr Ellen KO
Director of Human Resources

Mr Gabriel CHAN
Director of Finance

The Hong Kong Polytechnic University

Mr Chris C MONG
Associate Vice President and Director of Finance

Mr Alan LI
Director of Human Resources

Hong Kong Baptist University

Mr Alex SHUEN
Director of Finance

Mrs Karen CHAN
Director of Personnel

Lingnan University

Mr Raymond LEUNG
Acting Director of Human Resource

The Hong Kong Institute of Education

Miss Agnes TAM Wai-fun
Director of Human Resources

Attendance by invitation : Federation of Hong Kong Higher Education Staff Associations

Dr CHAN Chi-wai
Vice-Chairman

Dr Fred CHIU
Executive Committee Member

Academic Staff Association, The University of Hong Kong

Mr SZE Wing-suen
Vice-Chairman

Mr CHEUNG Kie-chung
Executive Committee Member

Hong Kong Professional Teachers' Union

Dr CHAN King-ming
Secretary

Hong Kong Baptist University Faculty and Staff Union

Mr TO Yiu-ming
Chairman

Mr LI Kin-yin
Vice-Chairman

Non-Academic Staff Association, The University of
Hong Kong

Mr Stephen CHAN Chit-kwai
President

Mr LEE Chun-min
Assistant Secretary

Staff Association, The Chinese University of Hong Kong

Mr Aaron LI
President

The Teacher's Association, The Chinese University of
Hong Kong

Professor KWAN Hoi-shan
President

Professor WONG Chong-kim
Council Member

Lingnan University Staff Representatives

Mr Kenneth LAW Wing-kin
Assistant Professor

Mr NG Kwai-wah
Senior Research Administration Officer

Hong Kong University of Science and Technology Staff
Association

Mr LAM Kin-lai
Chairman

University of Hong Kong Employees Union

Mr CHU Kee-tung
Chairman

Mr KWOK Yuk-sang
Secretary

Hong Kong Polytechnic University Staff Association

Dr CHAN Chun-wah
Chairman

Mr Joseph LEE Heung-wing
Assistant Secretary

City University of Hong Kong Staff Association

Dr John TSE Wing-ling
Chairman

Mr FUNG Wai-wah
Treasurer

The Chinese University of Hong Kong Employees
General Union

Miss Emily NG Hiu-chun
Chairperson

Clerk in attendance : Ms Doris CHAN
Chief Council Secretary (2)2

Staff in attendance : Mr Stanley MA
Senior Council Secretary (2)6

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I. Remuneration systems in University Grants Committee-funded institutions after deregulation of university salaries

The Chairman welcomed representatives of the Administration and the 13 deputations to the meeting.

Meeting with the deputations

2. At the invitation of the Chairman, representatives of the 13 deputations presented their views as summarised in paragraphs 3 to 15 below.

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Federation of Hong Kong Higher Education Staff Associations (the Federation)
[LC Paper Nos. CB(2)2925/03-04(01) and CB(2)3036/03-04(01)]

3. Dr CHAN Chi-wai presented the views of the Federation as detailed in the submission. He highlighted that the University Grants Committee (UGC)-funded institutions had tried to cut staff salaries and benefits after deregulation of university salaries, resulting in unequal treatment of staff, and affecting staff morale and the quality of higher education. The Federation put forward the following eight requests –

- (a) a fair and transparent mechanism to determine staff salaries and benefits should be established;
- (b) uniform salary scales should be adopted by all UGC-funded institutions, and information on staff salaries should be made public;
- (c) UGC-funded institutions should respect the contracts signed with serving staff, and should not alter the latter's terms of employment unilaterally;
- (d) representatives of staff associations should be invited to serve on university councils;
- (e) the management of UGC-funded institutions should maintain a close dialogue with staff associations and consult all staff on changes in policies which affected their salaries and benefits;
- (f) suitable staff should be appointed as heads of departments on a rotation basis with a definite term so as to prevent abuse of power. Some of the deputy heads of the institutions should be elected by staff. University councils should monitor and evaluate the performance of administrative staff in the institutions;
- (g) appeal mechanisms should be established in these institutions; and
- (h) the Federation was opposed to the deregulation of university salaries before a replacement mechanism to determine staff salaries and benefits was established. The Legislative Council (LegCo) should closely monitor the use of public funds by UGC-funded institutions regularly to ensure prudent use of resources.

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Academic Staff Association, The University of Hong Kong (ASA(HKU))

4. Mr SZE Wing-suen pointed out that university salaries would not be able to follow market salaries closely. Universities should therefore make thorough deliberation before deregulation of university salaries. An objective and transparent mechanism to determine salary increments should also be implemented to prevent abuse of power. Mr SZE added that ASA(HKU) supported the eight requests put forward by the Federation.

Hong Kong Professional Teachers' Union (the Union)

[LC Paper No. CB(2)3010/03-04(01)]

5. Dr CHAN King-ming declared that he was a member of the academic staff of The Chinese University of Hong Kong. Dr CHAN briefed members on the following views of the Union as detailed in the submission which was tabled at the meeting –

- (a) reductions in education funding and deregulation of university salaries had led to lay-offs of university staff and pay cuts;
- (b) university management should be fair and cautious in determining staff salaries and benefits;
- (c) staff and staff associations should be consulted on matters affecting staff salaries and benefits;
- (d) fair and transparent performance appraisal and appeal mechanisms should be established; and
- (e) staff disputes were caused because the percentages of salary reductions for staff in the lower echelon were larger than those for staff in the upper echelon.

Hong Kong Baptist University Faculty and Staff Union (HKBUFSU)
[LC Paper Nos. CB(2)2882/03-04(01), CB(2)3017/03-04(01) and CB(2)3036/03-04(02)]

6. Mr TO Yiu-ming highlighted the following views of HKBUFSU as detailed in the submissions, two of which (LC Paper Nos. CB(2)3017/03-04(01) and CB(2)3036/03-04(02)) were tabled at the meeting –

- (a) staff of HKBU were willing to accept a reasonable percentage of pay cut if the University was faced with financial difficulties;
- (b) staff had expressed reservation about the basis on which the conclusions and recommendations of the consultancy report on the

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review of the University's pay and reward structure for staff were made;

- (c) staff were dissatisfied with the staff consultation conducted by the management during which details of the new remuneration mechanism had not been provided to staff;
- (d) the University management had tried to prevent the formation of HKBUFSU and did not respect staff and HKBUFSU;
- (e) universities should consult staff associations on changes to the remuneration systems;
- (f) staff associations should be allowed to participate in the formulation of policies relating to staff matters;
- (g) an appeal mechanism should be established to handle staff grievances and complaints; and
- (h) HKBUFSU was supportive of the eight requests of the Federation.

Non-Academic Staff Association, The University of Hong Kong (NASA(HKU))
[LC Paper No. CB(2)2991/03-04(02)]

7. Mr Stephen CHAN Chit-kwai presented the views of NASA(HKU) as detailed in the submission as follows –

- (a) NASA(HKU) agreed that staff should be willing to cooperate with the University in tackling its financial problems;
- (b) university management should conduct reviews of staff salaries and benefits in a fair and open manner with the participation of staff representatives;
- (c) consultation with all staff should also be conducted on changes to staff salaries and benefits;
- (d) alternative measures other than pay cuts should be explored by universities;
- (e) there should not be significant differences in the percentages of salary reductions between senior and junior staff and also between academic and non-academic staff; and
- (f) NASA(HKU) supported the eight requests of the Federation.

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Staff Association, The Chinese University of Hong Kong (SA(CUHK))

8. Mr Aaron LI said that he represented the non-academic staff members of SA(CUHK). He summarised the views of the non-academic staff in CUHK as follows –

- (a) the non-academic staff strongly objected to the deregulation of university salaries which would inevitably result in reduction in university resources and hence staff salaries. The salary cut had adversely affected staff morale;
- (b) the recent review of remuneration systems had resulted in salary cuts for contract staff, hence widening the difference in the remuneration packages between contract staff and staff on substantiated terms. The University should therefore devise an independent and transparent salary mechanism linked to performance so as to narrow the gap in the remuneration packages between the two types of staff;
- (c) an appeal system should be established to handle staff grievances;
- (d) salary systems reviews should be conducted regularly so that adjustments, both upward and downward, could be made in response to changes in market salaries; and
- (e) the non-academic staff supported the views of other deputations as well as the eight requests of the Federation.

The Teacher's Association, The Chinese University of Hong Kong (TA(CUHK))

9. Professor KWAN Hoi-shan briefed members on the views of TA(CUHK) as follows –

- (a) deregulation of university salaries had led to reduction in university resources and would eventually result in cuts in staff salaries and benefits;
- (b) in anticipation of reductions in resources, universities tended to offer employment on contract terms, which were less favourable to newly recruited academic staff, thereby reducing their competitiveness in attracting world-class academics;
- (c) despite the reduction in university resources, a lot of money had been spent by universities on conducting reviews of the pay and remuneration packages for their staff;

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- (d) universities should respect the contracts signed with staff and should not alter the terms of employment unilaterally;
- (e) universities should not pressurise staff associations. They should consult all staff, especially staff representatives in staff associations, on measures which affected staff salaries and benefits; and
- (f) TA(CUHK) supported the views and requests of other deputations, in particular those put forth by the Federation.

Lingnan University Staff

10. Mr Kenneth LAW Wing-kin opined that there were problems in the existing education system which had affected the general public's attitude towards university education and status of the academics. He expressed reservation that salaries of academic staff were to be determined with reference to market salaries since there were not comparable jobs in the market. He considered that the cuts in staff salaries and benefits would reduce the competitiveness of universities in Hong Kong in attracting world-class academics. As a result, the quality of university education in Hong Kong would be adversely affected.

Hong Kong University of Science and Technology Staff Association (HKUSTSA)

11. Mr LAM Kin-lai said that he represented the non-academic staff members of HKUST who had been facing great pressure after deregulation of university salaries. He informed members that HKUST management had not provided staff with details of the salary structure review or the new remuneration systems. It had also refused to include staff representatives as members of the working group for the review of the salary structure of non-academic staff. With little bargaining power, non-academic staff were very worried about the possible changes to their salary and employment terms. Mr LAM added that they supported the requests of the Federation.

(The Deputy Chairman took over the chair at this juncture.)

University of Hong Kong Employees Union (HKUEU)

[LC Paper No. CB(2)3036/03-04(03)]

12. Mr CHU Kee-tung summarised the views of HKUEU as detailed in the submission which was tabled at the meeting. He informed members that HKUEU was willing to cooperate with HKU in coping with its financial difficulties. However, as measures such as reduction in staff benefits and freeze on job vacancies had helped to reduce expenditure, the University should consider adopting other cost saving measures before resorting to pay cuts. The new remuneration systems for university staff should be fair and transparent, and

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the staff concerned should be consulted on any changes to the existing systems. Mr CHU added that HKUED supported the requests put forth by the Federation.

Hong Kong Polytechnic University Staff Association (PolyUSA)

13. Dr CHAN Chun-wah and Mr Joseph LEE Heung-wing briefed members on the views of PolyUSA as follows –

- (a) uniform salary scales should be adopted by all UGC-funded institutions;
- (b) since 1 April 2004, the salaries and benefits for new recruits had been reduced by 10% to 15%, and salary increments were replaced by cash bonus. Although PolyU had assured staff that the new remuneration system applied to new recruits only, serving staff members were worried that eventually, they would be compelled to join this new system;
- (c) PolyUSA expressed concern that the cash bonus system would lead to abuse of power by supervisors and encourage a culture of flattery;
- (d) the difference in salaries and benefits between new and serving staff would create conflicts among staff as well as hamper the University's competitiveness in attracting world-class academics;
- (e) universities should respect staff associations and consult them on measures which affected staff salaries and benefits;
- (f) universities should not alter the terms of employment of serving staff unilaterally; and
- (g) PolyUSA supported the eight requests of the Federation.

City University of Hong Kong Staff Association (CityUSA)
[LC Paper No. CB(2)3036/03-04(04)]

14. Dr John TSE Wing-ling introduced the views of CityUSA as detailed in the submission which was tabled at the meeting. He said that CityUSA requested the Government and UGC-funded institutions to take into account the importance of providing job security to staff in these institutions in the reviews of the pay and remuneration packages of staff. Universities should not compel serving staff on substantiated terms to convert to contract terms. UGC should also report to LegCo on a regular basis the measures taken by universities after deregulation of salary scales and the impact on staff so that LegCo could closely monitor the implementation of new remuneration systems in universities.

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The Chinese University of Hong Kong Employees General Union (CUHKEGU)
[LC Paper No. CB(2)3036/03-04(05)]

15. Miss NG Hiu-chun informed members that CUHKEGU represented the interests of staff in the middle and lower echelons as well as contract staff in CUHK. She presented the following views of CUHKEGU which were detailed in the submission tabled at the meeting –

- (a) CUHKEGU supported the requests of the Federation;
- (b) staff members of CUHK were willing to cooperate with the university to cope with the difficulties caused by the reduction in university resources. However, they were opposed to the revised remuneration system which was unfair to junior and contract staff as the impact on them was greater than that on senior staff;
- (c) staff should be extensively consulted on the establishment of new remuneration systems and details of the existing pay structure and staff benefits should be provided to them; and
- (d) UGC should monitor the implementation of new remuneration systems in universities to ensure that public funds were used in a fair and open manner.

Discussion

[LC Paper Nos. CB(2)2786/03-04 and CB(2)2991/03-04(01)]

16. The Deputy Chairman declared that he was an academic staff of the University of Hong Kong.

Disputes between Hong Kong Baptist University and Hong Kong Baptist University Faculty and Staff Union

17. Mr CHEUNG Man-kwong said that there should be a partnership relationship between a university and its staff, and the formation of staff union was a right provided in the Basic Law. He was therefore shocked to learn from staff complaints and newspaper reports that HKBU had treated HKBUFSU, a union which represented about 500 staff members, so unfairly.

18. Referring to the newspaper reports on 24 June 2004, Mr CHEUNG considered the expressions such as “that organisation” and “the so-called staff union” used by HKBU and some members of the Council of HKBU on HKBUFSU at its meeting on 23 June 2004 very offensive. According to HKBUFSU, HKBU had tried to prevent staff from attending meetings of HKBUFSU during lunch-time, as well as create difficulties for the staff union in

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using university facilities and email system. HKBU had even issued letters through its lawyer to stop HKBUFSU from using the name of HKBU without the University's approval. Mr CHEUNG queried the appropriateness of such hostile treatment of HKBUFSU by HKBU from the personnel management point of view.

19. In response to the concerns raised by Mr CHEUNG Man-kwong and Mr TO Yiu-ming, Mrs Karen CHAN of HKBU updated members on HKBU's review work on the pay and reward structure for staff as detailed in the paper provided by HKBU [LC Paper No. CB(2)2991/03-04(01)]; and highlighted several points. Firstly, she pointed out that the review was not initiated by the management but by the Council. Secondly, the reason for the review was not just financial but also due to the need for a more flexible and competitive system. Thirdly, HKBU had always been concerned about staff relationship and feelings of staff. The two Working Groups under the Steering Committee on the review of the pay and remuneration packages consisted mainly of staff elected members to ensure that there was equal, interactive and mutual communication between the University and staff. There was no question about inequality in status in the communication and consultation process. Fourthly, the review was a difficult one and the final decision made by the Steering Committee had tried to strike a balance among many factors.

20. Mrs Karen CHAN informed members that to address the concerns raised by staff members and to minimise impact on staff, the Steering Committee had adopted some of the proposals put forth by staff, including the placing of a cap of 10% on the maximum salary adjustment, the offer of a voluntary departure scheme to affected staff and the provision of an appeal mechanism to handle staff grievances arising from the implementation of the new remuneration systems.

21. As regards the allegations of unfair treatment of HKBUFSU, Mrs Karen CHAN stressed that HKBU had never tried to prevent the formation of staff unions. As soon as the University heard of the formation of staff union, the Council Secretary had written twice to invite it to apply for the University Council's approval for using the name of HKBU according to the Hong Kong Baptist University Ordinance (Cap. 1126). Despite the fact that the staff union had not complied with the request, the University had facilitated the use of university facilities by the staff union during the period from March to June 2004. However, a member of the University Council raised the issue about the status of the union at the Council meeting on 23 June 2004. To ensure compliance with the established procedure and the provisions in the Hong Kong Baptist University Ordinance, and to be fair to other organisations which had applied for approval accordingly, the University Council considered that since the union had not followed the proper procedures of application, it would be appropriate for the University not to allow the union to use the facilities of HKBU for the time being.

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22. Mrs CHAN also clarified that HKBU had not tried to prevent its staff from attending meetings of the union. On the contrary, the management of an administrative office had arranged for some staff to adjust their lunch hour so as to enable them to attend the union's meetings. The University had already explained this to the union in writing. She reiterated that HKBU had always treasured a good relationship with staff. Staff members were welcome to express their views and feelings to the University.

23. Mr CHEUNG Man-kwong, however, pointed out that the decision of the University Council should be made collectively. He considered that a responsible university council should take into account its social responsibilities and social values in taking its decisions. He queried why the Council of HKBU had endorsed the proposal of the member concerned and approved the adoption of uncivilised measures in pressurising HKBUFSU, which was a lawful organisation registered with the Registry of Trade Unions.

24. Mr CHEUNG Man-kwong quoted a similar case to illustrate that a proposal of a university council member could be vetoed by other council members. He said that at an earlier CUHK Council meeting, some members moved to admonish those students who had blocked the vehicle of the Vice-Chancellor of CUHK. The motion was voted down because of the objection of other Council members.

25. Sharing similar views, Mr SZETO Wah remarked that the incident had reflected that HKBU did not consider staff opinion as important. Referring to the issue of the legal status of HKBUFSU, Mr SZETO sought clarification as to whether HKBUFSU was regarded as a lawful organisation under the Trade Unions Ordinance (Cap. 332), and whether the provisions in the Hong Kong Baptist University Ordinance were overriding those of the Trade Unions Ordinance. He also expressed concern whether HKBU had contravened the laws of Hong Kong in discriminating against HKBUFSU, if the latter was lawfully registered under the Trade Unions Ordinance.

26. In response, Secretary-General, University Grants Committee (SG(UGC)) advised that generally it should be plausible for a lawful organisation to register under the relevant ordinance in accordance with the provisions contained therein. However whether such organisations could be recognised for those purposes stated in the Hong Kong Baptist University Ordinance was another matter. At the request of the Chairman, Principal Assistant Secretary for Education and Manpower (Higher Education) (PAS(EM)) undertook to respond in writing after the meeting to concerns about the two Ordinances raised by Mr SZETO Wah in paragraph 25 above.

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27. In reply to Mr CHEUNG Man-kwong and Mr SZETO Wah, Mrs Karen CHAN informed members that after seeking legal advice, HKBU had requested

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the union in writing that it should apply for the University Council's approval for using the name of HKBU in accordance with the Hong Kong Baptist University Ordinance. Mrs CHAN reiterated that more than 100 organisations in HKBU had complied with the laid down procedure and sought similar approval from the University Council, including the Hong Kong Baptist University Staff Association which was formed in 1987. To be fair to these organisations, HKBU considered it necessary for the union to comply with such requirement. Mrs CHAN clarified that in spite of such decision, HKBU had allowed the union to use the facilities in the University during the months of March to June. It was only until the Council meeting on 23 June 2004 that the Council decided to stop the union from using the facilities of the University for the time being.

28. Mr MA Fung-kwok considered that the dispute could be resolved if HKBUFSU would apply for the approval of the Council of HKBU for the use of the name of HKBU. He asked why it had not done so.

29. In response, Mr TO Yiu-ming of HKBUFSU pointed out that the government departments concerned had not sought HKBU's approval, but had exercised the power conferred to them by the laws of Hong Kong, in naming the Baptist University Road and Baptist University Road Refuse Collection Point. He therefore considered it legally in order for HKBUFSU to use the name of HKBU under the Trade Unions Ordinance, and approval from HKBU Council was not required.

30. Mr TO Yiu-ming added that HKBUFSU would forward its application to the University if the application procedure was just a formality, and approval would be granted by the University Council automatically as in the case of the issue of notification of the intention to hold a procession to the Police. However, the University lawyer had advised that there was no guarantee that approval would be granted.

31. Mr MA Fung-kwok remarked that the two cases quoted by Mr TO Yiu-ming were different from the case of HKBUFSU. He said that should HKBUFSU apply for HKBU Council's approval, LegCo Members would support its application.

32. Dr Fred CHIU of the Federation, who was also a staff-elected member of HKBU Council, informed members that the Hong Kong Baptist University Staff Association had registered with the former Baptist College in 1987, before the College was subsequently renamed as HKBU in 1994. He had raised this issue at a Council meeting and had asked whether the university administration had kept the registration record but to no avail.

33. Referring to paragraph 1.3 of the submission from HKBUFSU, Mr SZETO Wah sought clarification as to whether HKBU had chosen to circulate to its Council members the result of a staff opinion survey on the proposed

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remuneration systems conducted by the Staff Association which involved only 10-odd respondents, but had refused to circulate that of the survey conducted by HKBUFSU, which was participated by more than 400 respondents.

34. Mrs Karen CHAN replied that on 4 June 2004, the Steering Committee had invited staff to forward their views on the proposed new pay and remuneration packages to the secretary of the Committee for reference of the University Council to facilitate the discussion of the issue at the Council meeting on 23 June 2004. Since the Staff Association had forwarded its views to the secretary while the union had not done so, only the views of the former had been included in the appendix to the paper for the Council meeting.

35. Referring to the results of the survey attached to the submissions from the union, Mrs Karen CHAN clarified that 80% to 90% of the 161 respondents, and not 80% to 90% of all staff, had, according to the survey, indicated that they were still uncertain about the impact of the new pay and reward structure on them.

36. Dr Fred CHIU said that both he and Mr TO Yiu-ming had requested the University Council to circulate the result of the survey conducted by HKBUFSU to the Council members. However, their requests were rejected by the Council Chairman. He commented that it was absurd that the Council had chosen to acknowledge the result of a survey which was participated by only 10 or more staff, but had rejected that of a survey which was participated by more than 400 staff, just because the majority of the respondents of the former survey supported the proposed new pay and reward structure.

Relationship between universities and staff/staff associations

37. Referring to the views expressed by the deputations, Ms Emily LAU said that most of them had indicated that university staff were, in general, willing to cooperate with the universities to cope with the difficulties arising from the reduction in university resources, and that they did not object to some proposed measures such as salary cuts. The major staff concern was the lack of staff consultation on the implementation of new remuneration systems. Ms LAU asked why universities were so hesitant about consulting staff in this regard.

38. Ms Emily LAU requested university councils to respond to the concern raised by the deputations that without an independent and transparent mechanism to monitor the award of salary increments to staff working in different faculties, the new performance-based salary increment system proposed by the universities would not be operated fairly and consistently, and would easily be abused by supervisors. Mr MA Fung-kwok was of the view that universities would be able to implement performance-based salary increment system in a fair and consistent manner.

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39. Mr Philip LAM of HKU assured members that HKU had consulted its staff extensively on the proposed new remuneration systems. The proposed new systems were agreed by both the management and staff after consultation. Mr LAM added that taking into account the concern raised by NASA(HKU) about the difference in salary cuts between academic and non-academic staff, HKU would continue to discuss with staff on the subject.

40. As regard the request from NASA(HKU) that the number of outsourcing jobs should be reduced, Mr Philip LAM informed members that before 2000, cleansing jobs had been outsourced. After consultation with staff who had agreed to share additional workload, the number of outsourcing jobs had been reduced. However, Mr LAM pointed out that there were criticisms in the audit report last year that more jobs in HKU should be outsourced. The issue was still under study by the University. If the number of outsourcing jobs was not increased, criticism might again be drawn in future.

41. Mr CHAN Chun-wing of CUHK said that consultation meetings with CUHK staff including Mr Aaron LI and Professor KWAN Hoi-shan had been conducted on the cost-saving measures and pay level adjustment. Discussions had also been held with interested CUHK Council members. Mr CHAN stressed that as requested by the staff associations, the University had aimed at minimising the number of staff to be reduced in the review of pay and reward structure. CUHK had also positively responded to the request of CUHKEGU for the reduction in outsourcing jobs and would continue to liaise with the staff associations on the matter. The University management had proposed to staff that subject to staff in the lower echelon agreeing to increase the number of working hours, the percentages of salary reductions for them could be reduced. Mr CHAN added that there was a good communication mechanism between the University Council and staff, and the staff associations in CUHK had been consulted on the cost-saving measures and pay level adjustment with a view to achieving a win-win situation for all.

42. Mr Chris MONG of PolyU responded that the University had always maintained a close liaison with Dr CHAN Chun-wah and PolyUSA. The University had explained clearly to PolyUSA that the new remuneration system and the new salary increment system would only apply to staff recruited after 1 April 2004. The University Council had also agreed, at the request of Dr CHAN who was also a member of the Council, that staff would be consulted on changes to the existing remuneration systems before implementation. Mr MONG added that a staff complaint redress mechanism had been established in PolyU.

43. Mrs Alice FOK of HKUST informed members that HKUST had set up a working group comprising three Vice-Presidents and the Director of Personnel of the University in early 2004 for the review of the salary structure of non-academic staff. No detailed plan had yet been drawn but the University had promised to meet and communicate with HKUSTSA regularly.

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44. Dr Ellen KO of CityU said that CityU had maintained a very cordial working relationship with Dr John TSE in setting up the new remuneration systems. Dr KO added that the original proposal had included serving staff in the new remuneration systems. In response to the grave concerns expressed by staff, CityU had subsequently decided that the new systems would only apply to new recruits. Similarly, the cash bonus system would only be implemented after further consultation with staff.

45. Mr LEUNG Yiu-chung pointed out that universities and staff associations held different views on whether the views of staff and staff associations on the implementation of changes to existing pay and remuneration systems had been seriously considered or respected by the university management. He invited both sides, and staff elected university council members in particular, to express further views on this subject.

46. In reply, Dr CHAN Chi-wai of the Federation said that universities had pretended to conduct staff consultation on the new remuneration systems but were in actual fact not willing to consider the concerns and views of staff. Dr CHAN King-ming of the Union also considered the staff consultation conducted by universities a waste of time since the latter were not prepared to consider the views expressed by staff and staff associations seriously.

47. Dr Fred CHIU informed members that he was a staff elected council member of HKBU. He said that he had been pressurised since he was elected to the council. There were serious problems in communication between the university and staff/staff associations in HKBU, especially after deregulation of university salaries. University governance had become more and more autocratic and rested in the hands of a few people. This was reflected by the fact that out of the 35 HKBU Council members, only two were elected by staff and one by students, while the rest were appointed by the Chief Executive or were senior management staff of the University. Most members of the committees under the Council were senior management staff, and staff elected council members were not allowed to join any of these committees.

48. Dr Fred CHIU added that the Secretary to the HKBU Council had failed to circulate the document on the new remuneration systems to council members seven days before the relevant council meeting according to the laid down procedure. The document, which contained more than 60 pages, was provided to council members only two days before the meeting. At the council meeting, no questions were raised on the document and all members, except himself and the student representative, had voted for the proposed systems.

49. Dr Fred CHIU considered that the minutes of university councils meetings should be made available for public scrutiny to enable members of the public to monitor the operation of universities, and to prevent these publicly-funded

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organisations from being manipulated by a few people. Otherwise, there would not be any hope for university education in Hong Kong.

50. Referring to the Dr Fred CHIU's remarks that staff elected council members were not allowed to join any committees under HKBU Council, Mrs Karen CHAN clarified that once Dr CHIU was elected to the Council, the Secretary to the Council had invited him to join a committee in which a vacancy arose. However, Dr CHIU had requested to join the Finance Committee and Personnel Committee instead. Since there was not any vacancy in these two Committees, the University had not been able to accede to Dr CHIU's request. Nevertheless, it had advised Dr CHIU that should vacancies arise in future, the University Council would consider inviting him to join these Committees. Also, there were already staff elected council members serving on these two committees.

51. Mr SZETO Wah remarked that HKBU should increase the number of members in these Committees so that Dr CHIU would be able to serve on them. Concurring with Mr SZETO, Mr CHEUNG Man-kwong added that if other members of these Committees had failed to reflect the views of staff, HKBU should flexibly admit Dr CHIU into these Committees by increasing the number of Committee members. Mr CHEUNG also suggested that to resolve the dispute between HKBU and HKBUFSU, HKBU should address the concerns and views expressed by staff and staff associations, review whether any of its policies were unreasonable and introduce the necessary improvements.

The role of university councils

52. Referring to the concerns expressed by the deputations, Ms Emily LAU pointed out that the crux of the problems was the lack of an appeal and grievance mechanism for staff who felt aggrieved by the implementation of the new remuneration system to lodge complaints. She added that representatives of university administration, who were only executors of policies determined by university councils, were not in a position to address the issues raised by the deputations. She therefore considered that university council members should attend this meeting to listen and respond to the views and concerns expressed by staff associations. Ms LAU suggested that the minutes of this meeting should be circulated to all the university council members concerned.

53. Ms Emily LAU added that she hoped that university council members would carry out their duties to monitor the operation of the universities on behalf of society. She urged them to meet with staff and their representatives readily to receive their views, and requested representatives of university administration to relay her views to their council members.

54. Mr MA Fung-kwok was of the view that the autonomy of universities should be respected. LegCo would only need to monitor the operation of the

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universities to ensure that university governance remained transparent, fair and just, and that public funds were prudently used by universities. He invited views from UGC on how this could be achieved.

55. SG(UGC) responded that institutions' councils were invited to address the concerns raised by the LegCo Public Accounts Committee on their governance structure. Reviews on university governance and management were being / had been conducted. Institutions' councils would strive to ensure the establishments were fit for their purpose. SG(UGC) added that institutions were fully aware of the need to maintain dialogue with their staff and students, and there were staff and student representatives in all governing councils. All these measures helped to ensure that the governing councils discharged their duties and played their role in an accountable manner.

56. Mr NG Kwai-wah, staff representative of Lingnan University, informed members that he was a staff elected member of Lingnan University Council. He pointed out that the crux of the problem of university governance lay with the appointment of council members by the Government. He explained that since most of the appointed members were not familiar with the operation of the universities, they were inclined to rely on university management and supported most of the proposals put forth by the universities. As the minority in the councils, elected council members could do little to improve university governance. Mr NG therefore suggested that the minutes of council meetings should be made available for public scrutiny so that individual council members would be held accountable to the public. University governance could then be improved which, in turn, would facilitate the future development of higher education.

57. As regards the complaints from some staff associations that university council members were unwilling to meet with them to receive their views, Mr NG Kwai-wah considered that the unwillingness of the university management in making the arrangements might be partly accountable for this. He quoted as an example a recent case in which an ex-employee of Lingnan University related to him that he had sent a letter to the University Council, but it was never circulated to the Council members.

58. Mr LEUNG Yiu-chung concurred with Mr MA Fung-kwok that LegCo should not interfere with university governance unnecessarily. However, he pointed out that universities had not been wholly autonomous in their governance since the Government had indirectly interfered with their operation through the appointment of members to university councils. He asked how the Education and Manpower Bureau (EMB) would enhance democratisation of university governance. He also requested EMB to respond to the complaints from staff associations that universities were not willing to consider the views of staff although staff consultation had been conducted on the new remuneration systems.

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59. In reply, PAS(EM) clarified that although there were appointed members in all university councils, it did not mean that the Government had tried to interfere with university governance. She explained that capable individuals from different sectors in society were appointed in their personal capacity to contribute to, and improve, the operation of universities. PAS(EM) supplemented that it was the universities' responsibilities to manage their own affairs in accordance with the respective university ordinances.

Impact on universities' competitiveness in recruiting and retaining good staff

60. Ms Emily LAU invited UGC to respond to the concern expressed by some deputations that deregulation of university salaries would result in significant reduction in staff salaries hence adversely affected the competitiveness of universities in Hong Kong in recruiting and retaining world-class academics.

61. In reply, SG(UGC) stressed that the purpose of deregulation of university salaries was not to reduce staff salaries, but to allow more flexibility for institutions to draw up their own remuneration systems as appropriate with reference to comparable jobs in the local and international markets. Universities would then be able to introduce new remuneration systems to attract good academic staff, and would in turn enhance the competitiveness of our institutions and improve the quality of higher education in Hong Kong as a whole. Therefore, deregulation of university salaries would not adversely affect universities' ability in recruiting and retaining good academic staff.

62. Dr CHAN King-ming, however, commented that UGC had misled university staff into believing that university salaries could increase after deregulation. On the contrary, staff salaries and benefits had been cut in the past two years, and universities' competitiveness in attracting good academics had been adversely affected.

63. The Deputy Chairman considered that universities' ability to attract good academic staff would be bound to be affected if they could only offer contract terms to new recruits, and the quality of higher education would eventually be affected. Holding a different view, Mr MA Fung-kwok opined that the offer of more permanent terms of employment might not necessarily be the best way to attract and retain good academic staff. He pointed out that most university heads were employed on contract terms.

Way forward

64. The Deputy Chairman requested representatives of university administration to relay the views and concerns of deputations to their respective councils. He also requested the universities, UGC and EMB to follow up the following issues raised by the deputations –

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- (a) the offer of contract terms to new recruits which would affect the universities' ability to attract good academic staff;
- (b) larger percentages of salary reductions for staff in the lower echelon than those for staff in the top echelon;
- (c) availability of appeal and grievance mechanisms for staff who felt aggrieved by the implementation of the new remuneration system to lodge complaints;
- (d) adoption of reasonable and uniform salary scales for similar grades in UGC-funded institutions; and
- (e) complaints against universities' compelling serving academic staff on substantiated terms to accept the conversion of their terms of employment to contract terms.

65. Ms Emily LAU suggested that the monitoring of and improvement to the functions of university councils and performance of individual council members should also be added to the list of follow-up action of the Panel. She considered that some council members should improve their attendance at the council meetings.

66. Mr SZETO Wah suggested that the minutes of university council meetings and attendance of council members should be made available for public scrutiny.

EMB, UGC
and
UGC-funded
institutions

67. The Deputy Chairman requested the universities concerned, UGC and EMB to study and follow up the issues mentioned in paragraphs 64 to 66 above, and revert to the Panel in the next LegCo term.

II. Any other business

68. There being no other business, the meeting ended at 7:05 pm.

Council Business Division 2
Legislative Council Secretariat
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