

10 June 2003

Mrs Percy Ma  
Clerk to Panel on Administration of  
Justice and Legal Services  
Legislative Council  
8 Jackson Road,  
Central  
Hong Kong

Dear Mrs Ma,

I refer to your letter of 30 May 2003 and am instructed by the Chief Justice to reply. I should note that the Chief Justice has discussed the matters raised in your letter with Sir Anthony Mason who agrees with the contents of this reply.

- (1) Reduction of judicial remuneration including salaries to account for the effects of deflation would be in breach of the absolute prohibition against reduction in judicial remuneration (see Recommendation 1). It would be a prohibited reduction.
- (2) There is judicial decision in the United States that failure to increase judicial salaries for inflation did not amount to a breach of the absolute prohibition against reduction provided for in Article III of the United States Constitution (See paras 3.15 to 3.17 of the Consultancy Report).
- (3) Deflation and inflation would be external economic factors which would be relevant for the independent body to consider when making recommendations on judicial remuneration (see Recommendation 7). While any

reduction of judicial remuneration, (including reduction to account for the effects of deflation), would be in breach of the absolute prohibition against reduction (see Recommendation 1), the independent body could take past deflation into account in deciding on its recommendations when there is inflation, including whether judicial remuneration should be increased at a particular time and at what rate.

Yours sincerely,

( Wilfred Tsui )  
Judiciary Administrator

c.c. Director of Administration