

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

Follow-up to second meeting on 13 June 2002

Implications of the Public Officers Pay Adjustment Bill on the subvented sector

1. The Administration is requested to invite representatives of the Finance Bureau, the Education and Manpower Bureau, and the University Grants Committee Secretariat to attend the third Bills Committee meeting on Monday, 17 June 2002.
2. The Administration is requested to cover the following points in its paper on the implications of the Bill on the subvented sector:
 - (a) The subvention policy and the "no better than" principle;
 - (b) The different categories of subvented organizations;
 - (c) The number of subvented organizations, by category, affected by the Bill;
 - (d) The implications of the Bill on each category of subvented organizations;
 - (e) On the Administration's claim that the question of pay for subvented staff is generally a matter between the subvented organizations and their employees, please explain why, in previous years where there was an upward adjustment of civil service pay, the Administration sought supplementary provisions from the Legislative Council for adjusting upward the subventions accordingly; and
 - (f) After the passage of the Bill, if some subvented organizations decide not to reduce pay of their staff, please advise whether the Administration would recover the amount of subventions involved from the subvented organizations.

On item 2(a) above, the Administration is requested to provide an updated copy of the circular on subvention policy and principle.

Legislative Council Secretariat

13 June 2002