

For information on  
31 July 2013

## **Legislative Council Panel on Manpower**

### **Progress of the Work of the Standard Working Hours Committee**

#### **Introduction**

This paper briefs Members on the progress of the work of the Standard Working Hours Committee (SWHC) and its workplan.

#### **Background**

2. In April 2013, the Chief Executive established the SWHC and appointed Dr Leong Che-hung as the Chairperson of the Committee. There are 23 other members drawn from the labour and business sectors, academia, the community and the Government. Among the members, 12 are serving members of the Labour Advisory Board (LAB) who sit on the Committee in an ex-officio capacity by virtue of their position on LAB. Of the remaining 11 members, one each comes from the labour sector and the business field, and three each come from academia, the community and the Government.

3. With a three-year term, the terms of reference of SWHC are: (i) to follow up on the Government's policy study on standard working hours (SWH) and conduct further in-depth studies, as necessary, on the key issues identified therein; (ii) to promote understanding of SWH and related issues including, among others, employees' overtime work conditions and arrangements; to engage the public in informed discussion on the relevant issues; and to gauge the views of stakeholding groups; and (iii) to report to the Chief Executive and advise on the working hours situation in Hong Kong, including whether a statutory SWH regime or any other alternatives should be considered. SWHC convened its first and second meetings on 7 May 2013 and 24 July 2013 respectively during which members thoroughly discussed the work directions of SWHC and endorsed its workplan.

## **Work Direction and Timetable**

4. The subject of SWH is highly complicated and controversial. It carries widespread and far-reaching implications on various aspects including the labour market, manpower demand, employment relations, work culture, business environment, economic development and business competitiveness. Employers and employees from different sectors and the community as a whole have diverse views on this issue. To promote an in-depth, informed and objective discussion of the community on working hours issues<sup>1</sup>, and to jointly explore and identify options that suits the needs of Hong Kong, SWHC has agreed to take forward its work in four areas, including: (a) enhancing public understanding; (b) collection of relevant information, including working hours statistics and further research into the working hours regimes of other places; (c) adoption of an evidence-based approach for discussion on the basis of “a basket of factors”; and (d) launching public engagement and building community consensus on various options identified. Further elaboration on these four areas of work is given in paragraphs 5 to 17 below, and further details and the timetable of various activities are set out in the **Annex**.

### ***(a) Enhancing Public Understanding***

5. Enhancing public understanding of the key concepts of a working hours regime (for example, standard versus maximum working hours, different objectives of working hours regimes, etc.) as well as the possible multifarious implications of working time regulation for employees’ wage levels and working hours, labour market flexibility, overall economic competitiveness, etc. will help facilitate an informed and objective discussion. SWHC has agreed to launch the following public education and promotional activities:

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<sup>1</sup> Issues requiring an in-depth and objective discussion of the community as highlighted in the Government’s earlier “Report of the Policy Study on SWH” include (i) the objectives of working hours policy in Hong Kong; (ii) how the policy will affect labour market flexibility and Hong Kong’s competitiveness; (iii) working hours policy may result in an increase in part-time jobs and fragmentation of work; (iv) the affordability of the business sector, particularly small and medium enterprises in complying with the statutory SWH; (v) whether working hours regulation should be imposed across-the-board, or whether this should be introduced to certain industries or occupations with particularly long working hours; and (vi) whether legislation is the best way forward.

- (i) **Dedicated website** – A dedicated website will be developed for SWHC to disseminate key information on a working hours regime such as regime design and the possible impact of a working hours policy, as well as information on the work of SWHC (e.g. press releases, gist of committee discussions, etc.). An on-line quiz will also be launched to arouse public interest in working hours issues.
- (ii) **TV promotional programmes** – A TV broadcaster will be hired to produce and broadcast a series of promotional programmes to enhance public understanding of working hours issues. The programmes will be arranged for screening at briefings and consultation sessions as well as other channels to drive home the key features of a working hours regime.
- (iii) **Roving exhibitions** – A series of roving exhibitions on key information of the Report will be staged at popular locations such as MTR stations, shopping malls or community centres to disseminate information on a working hours regime.
- (iv) **Pamphlets** – Pamphlets on the SWH policy study will be widely distributed through the Public Enquiry Service Centres of District Offices, public libraries and offices of the Labour Department (LD), etc. to facilitate public access to the relevant information.

**(b) *Collecting Relevant Information***

6. Given the complex and controversial nature of working hours issues, SWHC has agreed to adopt an evidence-based approach to conduct an objective and impartial discussion. On working hours statistics, SWHC will make reference to the Annual Earnings and Hours Survey regularly conducted by the Census and Statistics Department (C&SD) and commission a research consultant to conduct a dedicated working hours survey to collect more comprehensive statistical data on working hours. Data and information to be collected for reference may include:

- (i) **Contractual working hours:** numbers of daily contractual working hours, wage levels, occupations and characteristics of trades of employees etc.;

- (ii) **Compensated overtime work:** numbers of overtime hours with pay or compensated by time-off in lieu, compensation arrangements, overtime rates and the wage levels, occupations and characteristics of trades of employees etc.;
- (iii) **Uncompensated overtime work:** numbers of uncompensated overtime hours, whether such work is arranged by employees or employers, whether the overtime compensation is subsumed under the remuneration package or terms of employment of employees, and the wage levels, occupations and characteristics of trades of employees etc.;
- (iv) **Other working hours arrangements:** including patterns of contractual working hours and overtime hours (fixed or varied, seasonal factors), reasons for overtime work, arrangements for on-call duties/stand-by duties/meal breaks and rest breaks, and how the pay is calculated etc.;
- (v) **Views on the current working time arrangements:** including willingness to work overtime, views on total working hours, contractual working hours, compensation for overtime work, rest breaks etc., and the wage levels, occupations and characteristics of trades of employees; and
- (vi) **Views on working hours policy:** the objectives of working hours policy, possible implications of standard and/or maximum working hours on working hours and wage levels, whether there will be fragmentation of work, and possible measures adopted by employers in response to the working hours policy, etc.

7. SWHC will commission a research consultant to conduct a dedicated working hours survey and form a “Working Group on Working Hours Study” to draw up the scope of the survey, sampling method and the content of the questionnaire for members’ consideration at Committee meetings. The relevant government departments (including the Economic Analysis and Business Facilitation Unit (EABFU), C&SD and LD) will provide technical support. The tender exercise for engaging a research consultant to conduct the dedicated working hours survey is expected to be completed in 2013. The preliminary statistics will be

available for discussion by the “Working Group on Working Hours Study” in the third quarter of 2014 at the earliest.

8. In the course of preparing the earlier “Report of the Policy Study on SWH”, LD conducted research into the experience of 12 selected economies<sup>2</sup> in implementing working hours regimes. Collation of further relevant overseas experience could be useful to SWHC for thorough consideration of the working hours options suiting Hong Kong.

9. Through making reference to information on the Internet and related publications, the SWHC Secretariat will continue to conduct research into and update working hours information of the selected economies. Moreover, SWHC may consider selecting some suitable economies for conducting study missions to tap their experience in formulating and implementing working hours regimes, enforcement situation and latest developments, as well as exchange views with related organisations and bodies.

***(c) Evidence-based Discussion on the Basis of “A Basket of Factors”***

10. As a working hours policy involves a wide range of complex issues with far-reaching implications for employment, the economy and the community, SWHC has agreed that apart from conducting a dedicated working hours survey, “a basket of factors” should be identified for analysing the implications of the working hours policy for employees and employers of various trades, the overall economy, labour market, business environment, long-term sustainable development of the economy and competitiveness.

11. Tentatively, based on the objective data collected, the relevant analysis aims at measuring and evaluating the possible implications of the various options formulated in the light of different policy objectives. For example, at the micro level, major factors for consideration may include changes in employees’ working hours and income upon implementation of different options of the working hours policy, as well as the possible risks of unemployment. At the enterprise level, the discussion would focus on the affordability of different industries under the working hours policy and the impact of working hours regulation on

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<sup>2</sup> The 12 economies included Singapore, the Republic of Korea, Japan, the Mainland, Macao, Taiwan, Australia, the European Union (the European Union as a whole, with particular reference to the United Kingdom and Belgium), the United States and Canada.

the modes of operation of enterprises. At the macroeconomic level, the factors for consideration may include the impact of working hours policy on the long-term labour demand/supply and economic development as well as Hong Kong's competitiveness etc. At the community level, while factors such as social harmony, labour relations, family life, quality of life, occupational safety and health may not be able to provide a direct quantitative analysis for the working hours regime, they could still be considered to be included in "the basket of factors" with a view to giving a more comprehensive and systematic analysis of the pros and cons of different working hours policies.

12. Through the "Working Group on Working Hours Study", SWHC will work out the coverage and content of "the basket of factors". Concurrently, C&SD and EABFU will be invited to conduct impact assessment of the preliminary options of the working hours policy proposed by SWHC, which will incorporate relevant data in "the basket of factors" for analysis. The "Working Group on Working Hours Study" will also discuss the scope, methodology and parameters of the impact assessment.

***(d) Launching Public Engagement and Building Community Consensus***

13. Since the working hours policy would impact on a wide spectrum of sectors and employers and employees of various trades are holding divergent views on whether statutory SWH should be implemented, SWHC will foster active participation of the public in concerned discussions with a view to building consensus and identifying the way forward.

14. SWHC plans to conduct a two-stage public engagement and consultation, namely: a first-round consultation to collect public views on working hours policy without pre-conceived views on the way forward and a second-round consultation to collect public views on the identified options.

15. To tie in with the progress of measures for enhancing public understanding, SWHC plans to conduct the first-round consultation at industry, occupation or district levels during the first and second quarters of 2014. At the same time, SWHC will conduct briefings and discussions during consultation sessions on the key areas of a working hours policy, including (i) policy objectives; (ii) regime design; (iii) exemption arrangements; (iv) flexibility arrangements; and (v)

administrative measures, etc, with a view to exploring and identifying various options for further consideration.

16. Taking into account the views of the public and various organisations on the working hours policy and making reference to the latest statistics on working hours, SWHC will consider the need for preparing a consultation paper to consolidate the public feedback received, relevant working hours statistics and different options identified. This could serve to underpin its further consideration as well as the second-round public consultation to be held in the first quarter of 2015.

17. SWHC will commission a consultancy firm to provide, in collaboration with an academic institution, the necessary support for conducting the public consultations and collating the information collected. SWHC will set up a “Working Group on Working Hours Consultation” for drawing up the modes and arrangements of public consultations for the Committee’s consideration.

### **The Way Forward**

18. SWHC is taking forward its work in accordance with its terms of reference and workplan. Its “Working Group on Working Hours Consultation” and “Working Group on Working Hours Study” will conduct their work proactively, keep SWHC regularly informed of their work progress and strive to submit their reports to SWHC by end-2014. Having regard to the information derived from the comprehensive working hours statistics, relevant “basket of factors”, impact assessment of various working hours policy options, views collected from the two rounds of consultation as well as overseas experience, SWHC will formulate proposals on the directions of a working hours policy that suits the circumstances and future development of Hong Kong. These will form the basis upon which SWHC will draft its report. After discussion by its members, SWHC will submit the endorsed report to the Government.

### **Noting by Members**

19. Members are invited to note the content of this paper.

Labour and Welfare Bureau  
Labour Department  
July 2013



**Timetable of the Standard Working Hours Committee (SWHC)**

	<b>Committee Work</b>	<b>Enhancing Public Understanding</b>	<b>Collecting Relevant Information</b>	<b>A Basket of Factors</b>	<b>Public Engagement and Building Community Consensus</b>
<b>Q2 2013</b>	<ul style="list-style-type: none"> <li>• To set up SWHC (9 April).</li> <li>• To set up the SWHC Secretariat.</li> <li>• To identify the office premises and the conference room for SWHC.</li> <li>• To convene the first SWHC meeting to agree on the house rules and exchange views on the future work direction of SWHC (7 May).</li> <li>• To formulate the workplan of SWHC.</li> </ul>				
<b>Q3 2013</b>	<ul style="list-style-type: none"> <li>• To discuss and endorse the workplan.</li> <li>• To discuss formation of working groups.</li> <li>• To discuss the format and content of the first-round public consultation.</li> <li>• To discuss and finalise the content and data</li> </ul>	<ul style="list-style-type: none"> <li>• To organise public education and promotional activities including launching a dedicated website, producing TV programmes, organising roving exhibitions and distributing pamphlets.</li> </ul>	<ul style="list-style-type: none"> <li>• To form a “Working Group on Working Hours Study” (“Study Group”) to advise on the content and data collection methodology of the working hours surveys.</li> <li>• To organise the first study mission.</li> </ul>	<ul style="list-style-type: none"> <li>• The “Study Group” to formulate preliminary proposals on “a basket of factors” for a working hours regime.</li> </ul>	<ul style="list-style-type: none"> <li>• To form a “Working Group on Working Hours Consultation” (“Consultation Group”) and to discuss the format and content of the first-round public consultation.</li> <li>• The “Consultation</li> </ul>

	<b>Committee Work</b>	<b>Enhancing Public Understanding</b>	<b>Collecting Relevant Information</b>	<b>A Basket of Factors</b>	<b>Public Engagement and Building Community Consensus</b>
	collection methodology of the working hours surveys.		<ul style="list-style-type: none"> <li>To update information on working hours regimes of the relevant economies through the Internet and related publications.</li> </ul>		Group” to advise on hiring of a consultancy firm to assist in conducting public consultations.
<b>Q4 2013</b>	<ul style="list-style-type: none"> <li>To finalise the format and content of the first-round public consultation.</li> </ul>	<ul style="list-style-type: none"> <li>To launch the SWHC website.</li> <li>To produce TV programmes to enhance public understanding of working hours issues.</li> <li>To organise roving exhibitions.</li> <li>To widely distribute pamphlets on the policy study on SWH.</li> </ul>	<ul style="list-style-type: none"> <li>To invite tenders for engaging a research consultant to conduct a dedicated working hours survey.</li> <li>To conduct the first study mission (to be confirmed).</li> </ul>	<ul style="list-style-type: none"> <li>“Study Group” to finalise the coverage of “the basket of factors”.</li> </ul>	<ul style="list-style-type: none"> <li>To invite tenders for engaging a consultancy firm to organise the first-round public consultation.</li> </ul>
<b>2014</b>	<ul style="list-style-type: none"> <li>To discuss the “policy objectives”, “regime design”, “exemption arrangements”, “flexibility arrangements” and “administrative measures”, etc. of a possible working hours regime in Hong Kong.</li> <li>To discuss the proposed coverage and data</li> </ul>	<ul style="list-style-type: none"> <li>To broadcast the TV programmes to enhance public understanding of working hours issues.</li> <li>To continue with roving exhibitions and distribution of pamphlets.</li> </ul>	<ul style="list-style-type: none"> <li>To organise the second study mission.</li> <li>Research consultant to collect data through the dedicated working hours survey.</li> <li>To conduct the second overseas study mission (to be confirmed).</li> <li>Research consultant to complete data collection of the dedicated working</li> </ul>	<ul style="list-style-type: none"> <li>To consolidate and analyse the data requirements of “the basket of factors”.</li> <li>“Study Group” to put up preliminary proposals on the scope and methodology of the impact assessment under “the basket of factors”.</li> <li>“Study Group” to discuss the preliminary</li> </ul>	<ul style="list-style-type: none"> <li>Consultancy firm to organise the first-round public consultation.</li> <li>To conduct the first-round public consultation at industry, occupation or district levels.</li> <li>“Consultation Group” to put up proposals on the format and content of the second-round public</li> </ul>

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	<p>requirements of “the basket of factors”.</p> <ul style="list-style-type: none"> <li>• To report and discuss views collected from the first-round public consultation.</li> <li>• SWHC to discuss the preliminary data collected from the dedicated working hours survey.</li> <li>• To discuss preliminarily a series of options for a possible working hours regime in Hong Kong, so that the “Study Group” can kick-start the relevant work of impact assessment.</li> <li>• To report and discuss the experience and observation obtained from the study mission(s).</li> <li>• To discuss and finalise the format and content of the second-round public consultation, including any need for preparing a consultation paper.</li> <li>• SWHC to discuss the</li> </ul>		<p>hours survey.</p> <ul style="list-style-type: none"> <li>• To continue to update information on working hours regimes of the relevant economies through the Internet and related publications.</li> <li>• Research consultant to submit the data of the dedicated working hours survey.</li> <li>• To consolidate working hours data collected by the Census and Statistics Department (C&amp;SD) and the research consultant.</li> </ul>	<p>data of the dedicated working hours survey.</p> <ul style="list-style-type: none"> <li>• “Study Group” to finalise the scope, methodology and parameters of the impact assessment of “the basket of factors”.</li> <li>• To conduct preliminary impact assessment on different options of a working hours policy based on the working hours data collected.</li> <li>• “Study Group” to discuss results of the preliminary impact assessment.</li> </ul>	<p>consultation.</p> <ul style="list-style-type: none"> <li>• To invite tenders for engaging a consultancy firm to conduct the second-round public consultation.</li> <li>• Consultancy firm to organise the second-round public consultation.</li> </ul>

	<b>Committee Work</b>	<b>Enhancing Public Understanding</b>	<b>Collecting Relevant Information</b>	<b>A Basket of Factors</b>	<b>Public Engagement and Building Community Consensus</b>
	<p>preliminary analysis of “the basket of factors”, including the results of the preliminary impact assessment, so as to devise different options and form the basis of the second-round public consultation.</p> <ul style="list-style-type: none"> <li>• To receive and consider the reports of the two Working Groups.</li> </ul>				
<b>2015 to Q1 2016</b>	<ul style="list-style-type: none"> <li>• To continue with discussion on “the basket of factors”.</li> <li>• To discuss and finalise the framework of the SWHC Report.</li> <li>• To report the latest statistics and results of the impact assessment of “the basket of factors”.</li> <li>• To report and discuss views collected from the second-round public consultation.</li> <li>• To give preliminary proposals on directions of a working hours</li> </ul>			<ul style="list-style-type: none"> <li>• To incorporate the latest working hours statistics of the 2014 Annual Earnings and Hours Survey conducted by C&amp;SD and update the quantitative analysis of the impact assessment.</li> </ul>	<ul style="list-style-type: none"> <li>• To conduct the second-round public consultation on different options identified.</li> </ul>

	<b>Committee Work</b>	<b>Enhancing Public Understanding</b>	<b>Collecting Relevant Information</b>	<b>A Basket of Factors</b>	<b>Public Engagement and Building Community Consensus</b>
	<p>policy suitable for Hong Kong.</p> <ul style="list-style-type: none"> <li>• To draft the SWHC Report.</li> <li>• SWHC to discuss the draft SWHC Report.</li> <li>• To submit SWHC's endorsed report to the Government.</li> </ul>				