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Panel on Manpower

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 31 July 2013**

Standard working hours

Purpose

This paper gives an account of the past discussions by the Panel on Manpower ("the Panel") on standard working hours ("SWH").

Background

2. The Chief Executive ("CE") announced in his 2010-2011 and 2011-2012 Policy Addresses that the Government would embark on a policy study on SWH so as to lay a solid and objective foundation for the public discussion on the issue. The Labour Department was assigned the task and released the Report of the Policy Study on Standard Working Hours ("the Report") in late November 2012.

3. The Government announced in April 2013 the formation of the Standard Working Hours Committee ("the SWH Committee"), which was tasked to follow up on the Government's policy study on SWH, promote understanding of this subject and related issues, and advise CE on the working hours situation in Hong Kong including whether a statutory SWH regime or any other alternatives should be introduced.

Deliberations of the Panel

Study findings on working hours situation in Hong Kong

4. The Administration briefed the Panel on the findings of the Report and the way forward at the meeting on 18 December 2012. According to the

Report, the average and median weekly total working hours for all employees in Hong Kong in 2011 were estimated at 47.0 and 46.6 hours respectively whilst those for full-time employees were slightly longer, at 49.0 and 48.0 respectively. Most employees worked more than 40 hours a week, and nearly a quarter had to perform overtime work. Among them, about half had their overtime work compensated.

5. Members were advised that the Report identified six long-working-hours sectors ("LWHS") with a much higher proportion of employees having long working hours, i.e. average estimated weekly working hours at 54.6 hours for full-time employees. Some members expressed concern about the impact of long working hours on employees in these sectors. The Administration advised that most employees in the six LWHS were lower-skilled workers with lower educational attainment and were engaged in labour-intensive service sectors, and had their overtime work compensated. On the other hand, workers with higher skills such as professionals had shorter contractual working hours, but many of them worked overtime without compensation which considerably prolonged their total working hours. Members were further advised that the phenomenon of relatively long working hours in Hong Kong and overtime work arrangements would be areas to be further studied under the subject of SWH.

Objectives and work plan of the SWH Committee

6. According to the Administration, the subject of SWH was far more complicated and controversial than the introduction of statutory minimum wage. Legislating for SWH would have far-reaching consequences on the society, economy, competitiveness and employment. It would bring substantial changes to the existing labour relations, labour market, work culture and business environment. It was imperative that the community should deliberate the far-reaching implications on the social and economic aspects before coming to a view on the important subject. An SWH Committee would be set up to follow up on the policy study on SWH. On whether the issue of long working hours would be addressed by legislative means, the Administration stressed that it kept an open mind on the matter which would be further studied by the SWH Committee.

7. Some members expressed disappointment at the Administration's lack of stance on legislating for SWH. They took a strong view that the SWH Committee should focus its work on addressing the phenomenon of long working hours by legislative means, instead of merely studying whether a statutory SWH regime should be established. Concern was also raised as to whether and how the Administration and the SWH Committee would work towards reaching a consensus in the community in respect of the meaning of

working hours and the need for establishing an SWH regime by legislative means.

8. Members were advised that the Administration was mindful of the possible impact of legislating for SWH on the labour market structure, e.g. fragmentation of jobs and an increase in part-time or casual jobs. The findings of the policy study on SWH would shed light on the future policy direction and facilitate the Administration in identifying the way forward. According to the Administration, the SWH Committee would follow up on the study of SWH based on the evidence collected. Although the experience in other places provided useful reference in the discussion of Hong Kong's working hours policy, the best way forward for Hong Kong should be decided with full regard to its own unique social and economic circumstances. The SWH Committee would examine issues relating to long working hours and overtime work arrangements. It would also organize consultations and launch public awareness and education programme on key issues to be considered before coming to a view on the subject of SWH.

9. Some members pointed out that employers expressed stronger reservations towards the introduction of SWH in Hong Kong than the introduction of statutory minimum wage. Apart from the potential increase in the wage bill, employers were particularly concerned about the need and flexibility to maintain adequate manpower to accomplish urgent and important tasks if working hours limits were set. The Administration should fully address the concerns of the employers and deliberate relevant issues thoroughly before taking forward the matter.

10. Members were assured that the Administration recognized fully the need to examine the subject of SWH in-depth by the Government, employees, employers and the community at large before deciding on the way forward. The SWH Committee would study and discuss the various issues of concern thoroughly and objectively in the deliberation of the policy direction.

11. Most members also expressed grave concern about the timeframe for the SWH Committee to complete its study on SWH and requested the Administration to provide the Panel with progress reports on the Committee's deliberations and recommendations. The Administration undertook to revert to the Panel from time to time on the progress of the study.

Composition of the SWH Committee

12. Some members considered that the SWH Committee should comprise representatives of different sectors including professionals such that the long

working hours situation of individual occupations could be better reflected.

13. The Administration advised that while it was not possible to include representatives from all trades and occupations, the SWH Committee would fully solicit views from the community and different sectors during its deliberation on the subject of SWH. The operation of the SWH Committee would be highly transparent.

14. According to the Administration's press release on the setting up of the SWH Committee, the Committee comprises a Chairperson and 23 members, appointed by CE, including 12 serving members (employer and employee representatives) of the Labour Advisory Board. 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.

Latest development

15. The SWH Committee held its first two meetings on 7 May and 24 July 2013. The Administration will brief members on the work plan of the SWH Committee at the Panel meeting on 31 July 2013.

Relevant papers

16. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Relevant papers on standard working hours

Committee	Date of meeting	Paper
Panel on Manpower	15.12.2011 (Item IV)	<u>Agenda</u> <u>Minutes</u>
	18.12.2012 (Item III)	<u>Agenda</u> <u>Minutes</u>
Council meeting	23.6.2010	<u>Motion on "Legislating for 'standard working hours'"</u>
	1.12.2010	<u>Official Record of Proceedings (Question 3)</u>
	15.2.2012	<u>Motion on "That this Council notes the Report of the delegation of the Panel on Manpower to study the experience in the implementation of standard working hours in the Republic of Korea"</u>
	17.10.2012	<u>Motion on "Legislating for the regulation of working hours"</u>