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Panel on Public Service

Meeting on 17 March 2014

Background brief on conditioned hours of work for Model Scale 1 Grades

Purpose

This paper provides background information on the conditioned hours of work for Model Scale ("MOD") 1 Grades¹ and a summary of the views and concerns expressed by members of the Panel on Public Service ("the Panel") on the subject at previous meetings.

Background

Policy on conditioned hours of work of civil service

2. According to the Administration, "conditioned hours of work" means the hours of duty which salary is calculated to cover and the hours which must be worked before overtime work is counted. Specific conditioned hours of work are laid down for different grades in the civil service based on their job nature, operational requirements and other relevant considerations. All members within the same grade or rank are subject to the same system of conditioned hours of work and the same number of conditioned working hours per week. There are two different systems of conditioned hours of work: gross and net. The gross conditioned hours system incorporates the time for meal breaks in the stipulated conditioned hours of work; the net system excludes the time for meal breaks in the stipulated conditioned hours of work. The existing conditioned hours of work for different grades have evolved over the years and are determined having regard to the proposals made by the relevant advisory bodies².

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¹ There are 11 MOD 1 grades, comprising six common grades (i.e. Car Park Attendant II, Ganger, Property Attendant, Ward Attendant, Workman I and Workman II), four departmental grades (i.e. Explosives Depot Attendant, Gardener, Workshop Attendant and Barber) and one general grade of Supplies Attendant.

² The Standing Commission on Civil Service Salaries and Conditions of Service and the Standing Committee on Disciplined Services Salaries and Conditions of Service are responsible for advising and making recommendations to the Chief Executive on matters concerning the pay and conditions of service of non-directorate civil service grades, including the conditioned hours of work of individual grades.

3. The Administration has been holding the view that as the conditioned hours of work have been taken into account in determining the overall remuneration package offered to civil servants, a reduction in the stipulated conditioned hours of work of a civil service grade without any change to its pay scale will be an improvement to the pay and conditions of service of the specific grade. Any proposals on reduction of conditioned working hours of individual civil service grades have to meet the three prerequisites of cost-neutrality, no additional manpower and maintaining the same level of service to the public ("the three prerequisites"). Moreover, the Administration has to take into consideration various factors, including the operational needs of the grades concerned, justifications for changing their conditioned hours of work, and the implications of such reduction on other grades with the same conditioned hours of work.

Review of conditioned hours of work of MOD 1 Grades

- 4. At the Panel's request at the meeting on 15 November 2010, the Administration provided information on the changes in the conditioned hours of work of civilian grades with reference to the reports of the Standing Commission on Civil Service Salaries and Conditions of Service since the 1960s. A relevant extract of the paper relating to MOD 1 Grades is in **Appendix I**.
- 5. As at 30 June 2013, there were about 7 500 MOD 1 civil servants working 45 hours net per week. At the Panel meeting on 15 July 2013, the Administration advised that in response to staff's request, the Administration had initiated a review on the conditioned hours of MOD 1 Grades. All Bureaux/Departments ("B/Ds") had been invited to carefully assess and explore options for reduction of conditioned hours for MOD 1 Grades and, if possible, formulate trial proposals for reduction of conditioned hours from 45 hours net to 45 hours gross per week under the three prerequisites. B/Ds had been asked to revert with their initial assessments and proposals by the third quarter of 2013. Depending on the findings, the Administration would further discuss the matter with the staff side.

Deliberations of the Panel

6. The Panel discussed issues relating to the conditioned hours of work for MOD 1 Grades when it deliberated on the subject of "Conditioned hours of work of the civil service" on 16 January and 21 May 2012, and the subject of "Conditioned hours of work and leave deduction arrangement for civil servants working 45 hours net per week in the Hospital Authority" on 15 July 2013.

Call for introduction of uniform conditioned hours of work

- 7. During the discussions on 16 January and 21 May 2012, members in general supported deputations' views ³ on the introduction of uniform conditioned hours of work, preferably at 44 hours gross per week, across the board for all civil servants. Some members opined that since any proposal to reduce conditioned hours of work would necessarily entail additional manpower and costs, the Administration should relax the three pre-requisites and increase its manpower to cope with the greater demand for quality public services so that civil servants could have a better balance between work and leisure. To avoid unhealthy and unnecessary comparison of the conditioned hours of work amongst different civil service grades, members also called on the Administration to migrate those civil servants, who were subject to 45 hours net per week, to the gross conditioned hours system without any corresponding downward adjustment of their salaries.
- 8. The Administration advised that it had no plan to introduce uniform conditioned hours of work across the civil service and considered it more appropriate that the conditioned hours of work of different civil service grades should be determined in relation to the work nature and operational requirements of the respective grades. However, the Administration was open to any proposal to reduce the conditioned hours of work of a grade if reasonable grounds and justifications were provided. As recommended by the relevant advisory bodies, the fulfillment of the three pre-requisites was required for a reduction in the conditioned hours of work of civil servants.
- 9. Some members considered that the Administration was discriminating against civil servants whose conditioned hours of work was 45 hours net per week, most of whom were from junior ranks, as the majority of other civilian grades were required to work 44 hours gross per week only. The Administration responded that there was no discrimination within the civil service. While the Administration valued the morale of its employees, it would also take into account other relevant factors and uphold the basic principle of maintaining a broad comparability with the private sector in setting the pay and conditions of service of civil servants.

Call for counting of meal breaks towards working hours

10. At the Panel meeting on 21 May 2012, members called on the Administration to review the practice of not counting meal breaks towards working hours under the net conditioned hours system. A member commented

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³ Relevant civil service associations and unions attended the Panel meeting on 16 January 2012 to give views on "Conditioned hours of work of the civil service".

that with the coming into operation of the Minimum Wage Ordinance, the Administration's policy of not providing paid meal breaks for civil servants under the 45-net conditioned hours system had become outdated.

11. The Administration responded that meal break arrangements of various departments were determined by respective heads of departments having regard to specific operational needs. Civil servants were paid on a monthly instead of hourly basis. A civil servant under the gross conditioned hours system was not regarded as performing overtime work nor eligible for overtime recompense if he/she was required to perform duties during his/her meal breaks. On the other hand, a civil servant under the 45 hours-net conditioned hours system was eligible for overtime recompense for performing duties during meal breaks.

Review of conditioned hours of work of MOD 1 Grades

- 12. On 15 July 2013, the Panel discussed the item on "Conditioned hours of work and leave deduction arrangement for civil servants working 45 hours net per week in the Hospital Authority". Noting that the Hospital Authority ("HA") had reduced its supporting grades staff's conditioned hours of work from 45 hours net per week to 44 hours gross per week, some members urged the Administration to reduce the conditioned hours of work of the civil servants working in HA, so that they would be treated the same as their HA counterparts.
- 13. The Administration responded that the civil servants in HA and staff employed by HA had all along been subject to different terms of employment and conditions of service. Having retained their civil service status, civil servants working in HA would be subject to the conditioned hours of work of their respective civil service grades. Any proposal to reduce the conditioned hours of work of these civil servants should apply to all staff in the same grade, and such proposal should be carefully considered having regard to the three prerequisites and other relevant factors. To this end, the Administration had embarked upon a review on the conditioned hours of work of MOD 1 Grades, and was exploring the feasibility of formulating proposals for the reduction of conditioned hours of work of these grades from 45 hours net per week to 45 hours gross per week under the three prerequisites. The review was expected to complete by the end of 2013.
- 14. Although some members had reservation on the adoption of a single system of conditioned hours of work to all civil service grades, a motion⁴ was

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⁴ The wording of the motion passed is -

[&]quot;That this Panel urges the Government to take forward the full implementation of '44 hours of work gross per week (inclusive of meal breaks)' as a condition of service for Government employees and give priority to the immediate implementation of '44 hours of work gross per week

passed at the meeting urging the Administration to take forward the full implementation of 44 hours of work gross per week as a condition of service for Government employees. In its written response⁵, the Administration indicated that it was not practicable to align the conditioned hours of work for all civil servants, but the conditioned hours of work for all members of a particular grade should be the same. B/Ds with MOD 1 Grades had been invited to assess the viability to launch a trial scheme to reduce the conditioned hours of these grades from 45 hours net to 45 hours gross per week under the three prerequisites. The Administration did not think it was practical or necessary to consider 44 hours gross per week. After the conclusion of the review, the Administration would consider whether a similar review for other grades working 45 hours net per week should be conducted.

Council question

15. Hon TANG Ka-piu raised an oral question on the conditioned hours of work of MOD 1 scale staff at the Council meeting of 16 October 2013. In its reply, the Administration provided information on the ongoing review on the conditioned hours of work for MOD 1 Grades.

Recent developments

16. The Administration will brief the Panel on the review on conditioned hours of work for MOD 1 Grades at the meeting on 17 March 2014.

Relevant papers

17. A list of relevant papers is in the **Appendix II**.

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(inclusive of meal breaks)' for civil servants under the Department of Health working in the Hospital Authority."

⁵ See LC Paper No. CB(4)1011/12-13(01)

Changes in the conditioned hours of work of civilian grades

(Extracted from LC Paper No. CB(1)2978/10-11(01))

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Standing Commission Report No. 16 (1986)

In 1986, the Standing Commission conducted a pay level survey covering all non-directorate civil servants to assess whether the total packages (including both salary and fringe benefits) of those civil servants at that time were broadly in line with those of employees in the private sector doing comparable jobs. When considering whether hours of work and leave should be included in the calculation of the total packages, the Standing Commission pointed out in the report that the conditioned hours of work in the Government (i.e. the hours of work covered by the basic salary) at that time varied according to the salary groups –

- (a) most staff on the Master Pay Scale (MPS) worked 44 hours gross per week (including a one-hour meal break in each eight-hour day), which was equivalent to 39 hours net (excluding meal breaks); and
- (b) staff on the Model Scale I (MOD 1) worked 48 hours net per week.

Standing Commission Report No.17 (1987)

- 2. The report stated that in view of an apparent discrepancy in the conditioned hours of work of the MOD 1 staff and those remunerated on the MPS, the Standing Commission had asked the Administration to review the conditioned hours of work of MOD 1 staff in 1983. The findings of the review established that the conditioned hours of work of civil servants on MOD 1 and MPS were broadly in line with those of the comparable posts in the private sector. In the light of the review findings, the Administration recommended that the number of working hours of MOD 1 staff be maintained at that time. Having discussed the review findings in 1984, the Standing Commission agreed to the Administration's recommendation and decided to conduct a review again in about two years' time to take account of any changes that might have occurred in the private sector in the interim.
- 3. In 1986, the Administration completed another review on the working hours of MOD 1 staff and asked the Standing Commission to give their views on a proposed reduction of the conditioned hours of work of MOD 1 staff and other civilian grades staff whose conditioned hours of work were 48 hours net

per week at that time to 45 hours net per week. Having regard to the 1986 Pay Level Survey being carried out at that time, the findings of which might reflect whether the total packages (conditioned hours of work being one of the considerations) of MOD 1 staff were broadly in line with those of their counterparts in the private sector, the Standing Commission decided that further consideration of the proposal should be deferred until the findings of the survey were made known.

Standing Commission Report No. 20 (1988)

- 4. The 1986 Pay Level Survey conducted by the Standing Commission showed that at the average job size, the MOD 1 staff total package practice line was about 12% below the upper quartile and 2.5% below average, in terms of value of total packages. Having considered the results of the survey, the Administration sought the views of the Standing Commission on whether it should explore ways to reduce the conditioned hours of work of MOD 1 staff from the prevailing 48 hours net to 45 hours net per week, with progressive reduction ultimately to 42 hours net per week, or to amalgamate MOD 1 Pay Scale with the MPS.
- 5. The Standing Commission concluded that an amalgamation of MOD 1 Pay Scale with the MPS should not be pursued in view of the inordinate costs of the proposal. Furthermore, the amalgamation would enhance the total package for MOD 1 staff beyond the level of that of their counterparts in the private sector and would be a departure from the practice in the private sector. Therefore, the Standing Commission had explored other options to bring the value of the MOD 1 total package in line with the upper quartile of the corresponding band in the private sector.
- 6. Having regard to the average conditioned hours of work per week for the MOD 1-type employees in the private sector, as well as the financial implications involved in overtime payments, additional posts and the proposed reduction of conditioned hours of work for some MPS staff, the Standing Commission considered that reducing the conditioned hours of work of MOD 1 staff to 45 hours net per week, which had the effect of increasing the value of the total package by about 5-6%, was both practicable and appropriate. The Standing Commission also considered that, upon the implementation of the reduction of conditioned hours of work, the departments concerned should carry out value for money studies with a view to minimising the requirements for overtime payments and the creation of additional posts. The Standing Commission also recommended that for civilian grades staff on the MPS whose conditioned hours of work at that time were more than 45 hours net per week,

their conditioned hours of work be reduced to 45 hours net per week correspondingly.

- 7. The Standing Commission was aware that a further reduction of the conditioned hours of work to 42 hours net per week would result in a further 6% increase in the benefits of MOD 1 staff. However, having regard to the fact that this would result in the conditioned hours of work of MOD 1 staff being less than that of their counterparts in the private sector, and in order to offer some cash benefits to this group of staff, the Standing Commission proposed increasing the pay of MOD 1 staff by 3% and adding one point to the top of the MOD 1 Pay Scale in order to increase their benefits by another 5-6%. Upon the implementation of the three measures (namely the 3% pay rise, addition of one point to the top of the MOD 1 Pay Scale, and reduction of the conditioned hours of work from 48 hours net to 45 hours net per week), the total packages for MOD 1 staff would be broadly in line with the upper quartile of the comparable salary band in the private sector.
- 8. With effect from 1 March 1988, the Administration reduced the conditioned hours of work of MOD 1 staff and civilian grades staff on the MPS whose conditioned hours of work exceeded 45 hours net per week to 45 hours net per week.

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Appendix II

Review on conditioned hours of work for Model Scale 1 Grades

List of relevant papers

Meeting	Date of meeting	Paper
Panel on Public Service	16 January 2012 (item IV)	Agenda
	(Administration's paper
		Administration's follow-up paper (01)
		Administration's follow-up paper (02)
		Minutes
Panel on Public Service	21 May 2012 (item IV)	Agenda
Service	(item 1 v)	Administration's paper
		Minutes
Council meeting	16 October 2013	Official Record of Proceedings pages 45 – 54 (Oral question by Hon TANG
mooning		Ka-piu)
Panel on Public Service	15 July 2013 (item II)	Agenda
Service	(item ii)	Administration's paper
		Motion passed at the meeting
		Administration's response to the motion
		Administration's follow-up paper
		Minutes

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