

For information on
15 March 2016

**Legislative Council Panel on Manpower
Subcommittee to Study Issues Relating to Standard Working Hours**

Working Hours Policy Directions

Introduction

This paper briefs this Subcommittee on the latest work progress and deliberations of the Standard Working Hours Committee (SWHC).

Background

2. The Government set up SWHC on 9 April 2013 to follow up on the Report of the Policy Study on Standard Working Hours released in November 2012. With a three-year term, SWHC is chaired by Dr Leong Che-hung and comprises 23 members drawn from the labour and business sectors, academia, the community and the Government, including all serving members of the Labour Advisory Board (LAB) who sit on SWHC as ex-officio members by virtue of their LAB membership¹.

3. 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

¹ The membership of SWHC is set out at Enclosure.

- (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.

Work Strategies

4. SWHC has since its establishment taken forward its work in four strategic areas, namely, enhancing public understanding; collecting working hours statistics and information relevant to a working hours regime; launching public engagement; and adopting an evidence-based approach for discussion on the basis of a range of factors with a view to promoting informed and in-depth discussion in the community on working hours issues, and jointly exploring and identifying working hours policy directions applicable to Hong Kong.

5. To collect working hours data and information relevant to a working hours regime to facilitate SWHC's exploration of working hours policy directions on the basis of an evidence-based approach, SWHC completed wide public consultation (the first-stage consultation) and a comprehensive working hours survey in 2014. The Labour and Welfare Bureau and the Labour Department reported the findings of the relevant survey and consultation at the meetings of the Manpower Panel on 17 March 2015 and 15 December 2015, and the meeting of this Subcommittee on 1 February 2016 (details can be seen in Legislative Council papers of: CB(2)1044/14-15(05), CB(2)446/15-16(03) and CB(2)770/15-16(01)).

Working Hours Policy Directions being Explored by SWHC

6. With reference to the findings of the working hours survey and the first-stage consultation, SWHC deduced through an evidence-based approach the following principles and suggestions:

- (i) a legislative approach to implement a policy to regulate working hours of employees;
- (ii) owing to the varied circumstances of different trades and occupations, a working hours policy should provide the necessary flexibility. Hence, an "across-the-board" legislative approach would be inappropriate;

- (iii) an in-principle agreement to explore a legislative approach to mandate written employment contracts specifying working hours arrangements of employees in general (“big frame” as referred to by SWHC); and
- (iv) to explore, on the premise of the “big frame”, whether there is a need for other suitable measures to further protect grassroots employees with lower income, lower skills and less bargaining power (“small frame” as referred to by SWHC).

7. The “big frame” under SWHC’s exploration entails a proposed legislative approach to mandatorily require employers and employees to enter into written employment contracts specifying clearly the terms that are related to working hours, including overtime situation and arrangements for overtime compensation. Employers and employees will mutually agree on the details of these terms according to the actual circumstances. On exploration of the “small frame”, SWHC has conducted data analyses and assessments on the impacts of 28 parameter combinations comprising employees’ total monthly wages, weekly working hours and overtime pay rates on employees, enterprises and Hong Kong’s medium- and long-term macroeconomic situation. The relevant results are set out in the Manpower Panel paper CB(2)446/15-16(03) of 15 December 2015 and this Subcommittee’s paper CB(2)770/15-16(01) of 1 February 2016.

8. SWHC will later conduct the second-stage consultation to collect views of the general public and relevant organisations on working hours policy directions for SWHC’s reference in preparing its report. In addition to the relevant working hours issues, SWHC plans to consult the general public on the following four proposed policy directions which can be considered for taking forward the working hours policy:

- (i) only implementing the “big frame”;
- (ii) only implementing the “small frame”;
- (iii) on the premise of implementing the “big frame”, to implement the “small frame” as well; and
- (iv) not to implement the “big frame” nor “small frame” but recommend implementing other policies/ measures pertaining to working hours (e.g. formulating voluntary

guidelines according to the needs of individual sectors).

9. At the meeting held on 24 February 2016, SWHC continued to discuss the relevant draft documents and arrangements relating to the second-stage consultation with a view to launching the consultation in April this year at the earliest. The consultation is expected to take three months. During the consultation period, SWHC will meet with major employers' associations and labour organisations, and organise consultation forums for, among others, the relatively long-working-hours sectors and the general public to widely listen to the views of the community on working hours policy directions being considered by SWHC. SWHC also welcomes the public to actively send in written submissions during the consultation period.

10. SWHC plans to submit its report to the Government as soon as possible after completion of the second-stage consultation.

Conclusion

11. The Government will continue to fully support the work of and act in concert with SWHC.

Labour and Welfare Bureau
Labour Department
March 2016

Enclosure

Membership of the Standard Working Hours Committee

Chairperson

Dr Hon Leong Che-hung, GBM, GBS, JP

Non-official members

Dr Jane Lee Ching-yee, JP

Mr Ma Ho-fai, SBS, JP

Prof Chong Tai-leung

Prof Joe Leung Cho-bun, MH, JP

Ms Susanna Chiu Lai-kuen, MH

Mr Lau Chin-shek, JP

Dr Kevin Lau Kin-wah, JP

Prof Raymond So Wai-man, JP

Members of the Labour Advisory Board as ex-officio members

Mr Emil Yu Chen-on

Ms Wong Siu-han

Hon Ho Sai-chu, GBM, GBS, JP

Mr Ng Chau-pei

Mr Chau Siu-chung

Mr Irons Sze, BBS, JP

Mr Cheung Sing-hung, BBS

Ms Chan So-hing

Mr Charles Chan Yiu-kwong

Dr Kim Mak Kin-wah, BBS, JP

Mr Leung Chau-ting

Mr Stanley Lau Chin-ho, SBS, MH, JP

Members who are public officers

Permanent Secretary for Labour and Welfare

Commissioner for Labour

Government Economist