

**For discussion on  
15 July 2013**

## **LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE**

### **Conditioned Hours of Work and Leave Deduction Arrangement for Civil Servants Working 45 Hours Net Per Week in the Hospital Authority**

#### **PURPOSE**

This paper briefs Members on the conditioned hours of work and leave deduction arrangement for civil servants working 45 hours net per week in the Hospital Authority (HA). An update on the Administration's review on the conditioned hours of work of certain grades in the civil service is also provided.

#### **CIVIL SERVICE POLICIES**

##### *Conditioned Hours of Work*

2. The Administration set out its policy governing the conditioned hours of work of the civil service vide LC Paper No. CB(1)788/11-12(03) in January 2012. To recap, there is no uniform conditioned hours of work in the civil service. There are two systems of conditioned hours, namely net (i.e. exclusive of meal breaks) and gross (i.e. inclusive of meal breaks), and specific conditioned hours of work are laid down for different grades of civil servants, including civilian and disciplined services staff, according to operational requirements and other relevant considerations. The stipulated conditioned hours of work is taken into account when the Administration determines the pay of different civil service grades.

3. As the stipulated conditioned hours of work has been taken into account in determining the overall remuneration package offered to different civil service grades, a reduction in the conditioned hours of a particular grade without any corresponding change to its pay is in effect an improvement to the pay and conditions of service of that grade.

4. To ensure prudent use of public funds and the upkeep of the level of service to the public, the Administration will only consider a proposal to reduce the conditioned hours of work of a particular civil service grade if the proposal complies with the three prerequisites of cost-neutrality, no additional manpower, and maintaining the same level of service to the public. In considering a reduction proposal, the Administration will consider the duties and responsibilities of the concerned grade, the operational requirements, the manpower situation, the implications of reduction on other civil service grades, and other relevant factors. Each proposal will be considered on its own merits and the advice of the relevant advisory body will be sought and taken into account before the Administration takes a decision.

### ***Leave Deduction Arrangements***

5. Various leave deduction rules, together with leave earning rate, accumulation limit, etc. form part and parcel of the leave package. The “one-to-one” leave deduction basis (i.e. one-day vacation leave to cover absence from duty on a working day) is generally adopted throughout the civil service, including civil servants working in the HA. This approach has been in place for a long time and has been consistently applied to all civil service grades regardless of their conditioned hours of work and duty pattern. So far as we understand, this is also commonly adopted in the private sector.

### **CIVIL SERVANTS WORKING IN HA**

6. Upon HA taking over the management and control of all public hospitals on 1 December 1991, civil servants working in the then Hospital Services Department might opt for HA terms of employment during the 3-year option period from 1 December 1991 to 30 November 1994. By the end of the option period, a total of 8 008 staff had chosen to retain their civil service status and continued to work in HA under their civil service terms of appointment and conditions of service<sup>1</sup>. In July 2003, the management of 59 General Out-patient Clinics (GOPCs) was transferred from the Department of Health (DH) to HA to facilitate integration of the primary and secondary levels of medical care in the public health care system and to promote family medicine practice. 805 civil servants continued to work in the GOPCs as civil servants working in HA.

7. As at 1 May 2013, there were 562 civil servants working 45 hours net per week in HA. These civil servants belong to 16 grades, including 6 Model Scale (MOD) 1 grades.

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<sup>1</sup> Another 11 343 civil servants had opted for HA terms of employment.

## **HA'S REDUCTION OF CONDITIONED HOURS OF SUPPORTING GRADES STAFF AND LEAVE DEDUCTION ARRANGEMENTS**

8. With effect from 1 May 2013, the HA had reduced the conditioned hours of its supporting grades staff from 45 hours net per week to 44 hours gross per week. Civil servants working 45 hours net per week in HA have been calling for a similar reduction.

9. In addition, we are aware that some staff representatives have been calling for the Administration to adopt the HA's leave deduction arrangements for civil servants who have not yet migrated to five-day week, whereby absence of one calendar week would only be subject to leave deduction of 5 days instead of 5.5 or 6 days.

10. At the Panel meeting on 3 June 2013, Members requested that the conditioned hours of work and leave deduction arrangements for civil servants working in HA be discussed.

## **THE ADMINISTRATION'S VIEWS**

### ***Conditioned Hours of Work***

11. The HA is an independent statutory body which operates autonomously in accordance with its own management framework. HA may formulate manpower initiatives applicable to its staff in the light of factors such as its operation, the needs of its clients and the views of its staff, amongst others.

12. Whilst civil servants working in the HA undertake duties as assigned by their supervisors in HA, their status remains that of civil servants, and as civil servants, they continue to be subject to the remuneration and conditions of the civil service in accordance with the protections and constraints set out in the Civil Service Regulations, including requirements in relation to conditioned hours of work. Civil servants working in HA and staff employed by the HA have all along been subject to different terms of employment and conditions of service.

13. As explained in paragraph 2 above, there is no uniform conditioned hours in the civil service. Different civil service grades have different conditioned hours (i.e. the number of duty hours per week) and are under different conditioned hours systems (i.e. gross or net) having regard to the work nature and requirements of each grade. For effective management of the civil service and to ensure parity treatment, all members within that grade/rank are subject to the same system and number of conditioned hours per week.

14. Hence, in the case of staff who have retained their civil service status while working in HA, their conditioned hours should continue to follow that of their respective civil service grades. In other words, the Administration does not consider it appropriate to institute an across-grades reduction of the conditioned hours of work of the 562 civil servants on 45 hours net per week working in HA in response to HA's reduction of the conditioned hours of work of their supporting staff.

15. Whilst an across-the-board reduction will not be pursued, we maintain an open mind on suggestions to explore the reduction of conditioned hours of any individual civil service grade subject to the three prerequisites set out in paragraph 4 above. We would favourably consider any proposal of trial scheme in compliance with the three prerequisites which is applicable to all members of the grade. In fact, taking into account staff feedback over time, we have embarked upon a review of the conditioned hours of certain civil service grades to assess whether there is any possibility of pursuing trial schemes on reduction of conditioned hours. Details are set out in paragraphs 19 and 20 below.

### ***Leave Deduction Arrangements***

16. The terms of employment and leave systems between civil servants and HA staff are not the same, e.g. the leave earning rates, accumulation limits of vacation leave and leave calculation rules are different. Hence, we do not find it appropriate to single out an individual feature and compare the leave deduction arrangements of the two. Nonetheless, we have revisited the issue of leave deduction arrangements in view of staff's views.

17. We had reviewed the leave administration arrangements when introducing the five-day week initiative in 2006. After detailed consideration at that time, it was decided that the long standing leave earning rates and leave deduction rules for civil servants on different appointment terms should remain unchanged irrespective of whether they would adopt five-day week or not (i.e. the prevailing leave deduction rules should continue to apply to officers migrated to five-day week and those who remain on 5.5/6-day week or alternate Saturday-off system). Any vacation leave of 12 days or below is deducted on a working day basis, i.e. one-day vacation leave to cover absence from duty on a working day.

18. The leave deduction arrangement in HA is different from the prevailing leave management for civil servants. It is noted that HA's revised leave deduction arrangement, if applied to the civil service, would be tantamount to an increase in leave entitlement. This may have resource and manpower implications. Under the prevailing leave management of the civil service, the leave benefits enjoyed by civil servants not working on five-day week in HA are not rendered less favourable as compared to the arrangements before the introduction of the five-day week initiative. We do not find sufficient grounds at present to revise the existing leave management for civil servants.

## **REVIEW OF CONDITIONED HOURS OF MOD 1 GRADES**

19. Currently, around 7 600 MOD 1 grades staff are working 45 hours net per week in the civil service. They have been calling for the adoption of 45 or 44 gross conditioned hours per week. In response to staff's request, the Administration has recently initiated a review on the conditioned hours of MOD 1 grades. We have invited all Bureaux/Departments (B/Ds) 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. It must be emphasised that for prudent use of public resources, it is imperative that any trial scheme must comply with the three prerequisites. For parity treatment and proper management of the civil service, any trial scheme should apply to all members of the same grade. We have asked B/Ds to revert with their initial assessments and proposals by the third quarter of 2013. Depending on the findings, we will further discuss the matter with the staff side.

20. Whilst we appreciate that staff of non-MOD 1 grades who are working 45 hours net per week may wish for their conditioned hours to be similarly reviewed, given the complexity of the exercise, we have decided to focus primarily on the MOD 1 grades for the time being. Having said that, we do not preclude B/Ds from simultaneously reviewing the conditioned hours for all members of any non-MOD 1 grades, including grades with civil servants working in HA, subject to the three prerequisites.

## **WAY FORWARD**

21. We will closely liaise and work with B/Ds on the review of MOD 1 grades' conditioned hours, and will report progress to the Public Service Panel in due course.

Civil Service Bureau  
Food and Health Bureau  
Department of Health  
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