

Construction Industry Council

Meeting No. 002/16 of the Construction Industry Council for 2016 was held on Friday, 29 April 2016 at 2:30 pm at Meeting Room 1, Construction Industry Council Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong.

Present	:	Ka-kui CHAN	(KKCh)	Chairman
		Allan CHAN	(SKC)	
		Chi-chiu CHAN	(CCC)	
		Pat-kan CHAN	(CPK)	
		Paul CHONG	(PC)	
		Chi-wah LAI	(CWLi)	
		Stephen LAI	(SLI)	
		Robert LAM	(PHL)	
		Christopher LEUNG	(KYL)	
		Kenneth Kon-fei MO	(KM)	
		Lawrence NG	(LN)	
		Shu-jie PAN	(PSJ)	
		Kevin POOLE	(KP)	
		Eliza Yeuk-lan WONG	(EWYL)	
		Sze-chun WONG	(SCW)	
		Wilfred Shek-chun WU	(WSCW)	
		Ringo Shek-man YU	(RiYu)	
		Sai-yen YU	(SYYu)	
		Chi-keung HON	(HCK)	Permanent Secretary for Development (Works)
	Siu-wai HUI	(SWH)	Director of Buildings	
	Ada FUNG	(AF)	for Permanent Secretary for Transport and Housing (Housing)	
In Attendance	:	Dominic CHOW	(DCW)	Development Bureau
		Christopher TO	(CT)	Executive Director
		Alex LEUNG	(AL)	Director – Training and Development
		LEE Oi-yen	(OYL)	Assistant Director – Registration Services
		Cheryl IP	(CI)	Assistant Director - HR, Facilities Management & Admin
		Miranda YEAP	(MYP)	Senior Manager – Council Services
	Belle HO	(CYH)	Manager – Council Services	

Apologies : Reuben CHU (RCU)
Ivan Chin-shing FU (FI)
Kwok-kwan NG (NKK)
Philco Nai-keung (NKW)
WONG

MINUTES

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[The open-door session of the meeting started at 5:05 p.m.]

**2.7 Confirmation of Minutes of the Previous Meeting
(Open-door Session)**

Members referred to Paper CIC/CMT/M/001/16 and approved the minutes of the open-door session of the 1st meeting of 2016 held on Friday, 26 February 2016 at Meeting Room 1, Construction Industry Council Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong.

**2.8 Matters Arising from the Previous Meeting
(Open-door Session)**

Item 1.11 of Meeting 001/16 Regarding the suggestion to use contractors' sites and machineries to conduct trade tests, AL reported that relevant information was being collected from the contractors and the issue would be discussed at the CITB meeting first.

**Secretariat
(AL)**

**2.9 1st Meeting of Committee on Productivity and Research
(Com-PNR) for 2016**

Members took note of the Paper CIC/CMT/P/020/16.

KYL gave a powerpoint presentation on the work plan of Com-PNR for 2016-17. The major tasks were as follows:

1. Proposing an Industry-wide Research Agenda every year;
2. Benchmarking Construction Trade Productivity;
3. Assessing Local Construction Industry Performance, KPIs;
4. Conducting a consultancy study on Re-engineering Construction Process;
5. Conducting a consultancy study on Assessing Quality of Work in Local Construction Industry;
6. Organising experience sharing workshops for establishing project-level benchmarking database;
7. Conducting a consultancy study on Integrating Constructability in Project Planning and Design;

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8. Conducting a consultancy study on a Comprehensive Productivity Appraisal of the Hong Kong Construction Industry;
9. Conducting a consultancy study on Investigating the Potentials of Automation and Robotics in the Context of Large-scale Housing Industrialisation for Hong Kong; and
10. Organising the CIC Innovation Award in collaboration with Com-EIT in 2017.

The above tasks were related to Recommendations No. 14, 17, 18, 19 and 26 of the McKinsey's Interim Report.

The Council approved the proposed list of co-opted members at Annex C of the Paper.

HCK pointed out that PolyU had conducted a study in relation to buildability considerations in design (Recommendation No. 19 of McKinsey Interim Report). DEVB and ArchSD were also looking into this matter. CIC's consultancy study could take reference of the results of the previous studies. LN added that the Hong Kong Construction Sub-Contractors Association could provide support regarding the measurement of productivity for different trade divisions.

The Chairman said that there had been discussion among the industry whether a Hong Kong Construction Innovation Centre should be set up to lead the innovation and technology development for the construction industry and sought Members' view on the role of CIC in this issue. A Member opined that different government departments might have different concerns regarding an innovative project and industry practitioners had encountered various problems and difficulties in getting approval for using new materials, construction methods and equipment, etc. for innovative construction. Members were of the view that the Centre could take up the co-ordinating role to facilitate the approval process for the implementation of innovative ideas for construction projects.

HCK expressed that the setting up of an Innovation Centre either coordinated by CIC or DEVB might not provide a solution to the above problem as the approval of an innovative project would involve different government bureaux and departments other than the Buildings Department to safeguard public safety. Having said that, CIC could perform a co-ordinating role to facilitate government departments to consider and proceed with the approval process.

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In response to Members' request to speed up the approval process of innovative works, SWH said that the Buildings Department would be willing to listen to the opinions of the industry.

KYL suggested that the Centre could invest in some major and long term innovative projects such as the use of robotics in the construction industry. This could be done in collaboration with the Innovation and Technology Commission.

The Chairman requested Com-PNR to study the possibility of establishing a Centre on Construction Innovation in Hong Kong. This could be explored further in a lunch meeting or Com-ANF meeting.

Com-PNR

Members had no further comments on the items stated in the Paper CIC/CMT/P/020/16.

[LN, PC and CWLi left the meeting at this juncture.]

2.10 1st and 2nd Meeting of Construction Industry Training Board (CITB) for 2016

Members took note of the Papers CIC/CMT/P/021/16 and CIC/CMT/P/022/16.

SKC gave a powerpoint presentation on the work plan of CITB for 2016-17. The consultancy review on training and development was started. The ongoing measures implemented by CITB were as follows:

1. To develop the progression pathway and qualification recognition;
2. To have a feasibility study in order to set up an overall direction on Qualifications Framework (QF);
3. To have consultancy services on the review of training & development for CIC;
4. To restructure Training Grounds;
5. To review training capacities and training facilities;
6. To enhance the services provided to ethnic minorities;
7. To continue the Advanced Construction Manpower Training Scheme;
8. To have strategic planning for image building (including CIC, industry and workers);

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9. To use new technology, E-learning system and E-scheduling system in training courses; and
10. To have overseas qualification recognition for our courses, so that our graduates could be able to work in overseas and their qualifications were recognised internationally.

The new measures introduced were:

1. To provide CPD courses;
2. To monitor the progress of graduates with care, and provide life-long counseling services which would be followed up by the Corporate Developments Team;
3. To discuss with the Labour Department for viability of system collaboration between JobsNet and the iES (the software that was being used by the Labour Department);and
4. Refining manpower forecast methodologies and data collection which would be followed up by the Research and Development Team.

The above tasks were related to Recommendations No. 3, 4, 5, 6, 7, 8, 10, 12, 15 and 59 of McKinsey's Interim Report.

The following issues were highlighted:

- Item 1.13 – A Memorandum of Understanding with the Vocational Training Council for closer cooperation in relation to course development was signed on 23 March 2016.

The Construction Industry Sports Day cum Charity Fun Day 2016 would be held in October 2016.

A recruitment day was co-organised with the Hong Kong Construction Sub-contractors Association on 5 March 2016 at the Construction Industry Resource Centre in Kowloon Bay to recruit trainees for the related cooperative training scheme. The next recruitment day would be held on 21 May 2016.

- Item 2.2 – The District Land Office had verbally accepted the application by CIC to erect one more tower crane at Tai Po Training Ground.
- Item 2.3 - Members accepted the proposed organisation structure and membership of CITB for 2016. The terms of office for all task forces, working groups and course advisory panels would be one year till end 2016 with annual renewal on a needed basis.
- Item 2.6 - Members accepted the captioned proposal to subsidise graduates of Basic Craft Courses to enroll in the courses to be offered by VTC, namely Diploma in Construction

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Programme, Diploma in Management Studies (Construction) Programme and Diploma of Foundation Studies-Engineering Programme. Subsidy for tuition fees together with a one-off fee for course development accounted for an estimated expenditure of \$9.13M.

- Item 2.7 - Members approved the proposal for CIC to extend the period of subsidising VTC Diploma of Vocational Education Programme from 1 year to 3 years, i.e. 2016-2017 to 2018-2019. The subsidy for each trainee would be \$30,800 per year and the cap for the total amount of subsidy was \$109.27 million per 3 years.
- Item 2.8 - Members agreed to re-launch the Full-time Course Graduate Referral Scheme and extend its coverage to include more courses. The implementation period would also be prolonged to two years and the cash reward for a referrer would be increased to \$3,000. Eligibility for being a referrer would be extended to all registered construction workers with the target number being set at 500 and the total cash reward would amount to \$1.5M.

The request for budget for item 2.6 – 2.8 would be submitted to Com-ANF for endorsement.

**Secretariat
(AL)**

- Item 2.11 - Members approved in principle the adjustment of training allowance for trainees under Basic Craft Courses and Construction Supervisor/Technician Training Courses as well as the adjustment of site practice allowance (except Enhanced Construction Supervisor/Technician Training Scheme).

The Chairman requested for more publicity on the mutual recognition of qualifications with VTC. The feasibility of opening up the training and trade test centres during weekends had to be explored.

CITB

The Chairman asked if there was overprovision of training places for full-time courses in 2017. AL replied that the figure and the proposed training capacities in 2018 would be reviewed taking into account the actual enrolment and recruitment situation. AL also proposed conducting publicity for adjustment of training allowance for full-time courses in one go.

CITB

**Secretariat
(AL)**

Members had no comments on other items stated in the Paper CIC/CMT/P/021/16 and CIC/CMT/P/022/16.

[WSCW left the meeting at this juncture.]

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2.11 1st Meeting of Committee on Construction Safety for 2016

Members took note of the Paper CIC/CMT/P/023/16.

AF gave a powerpoint presentation on the work plan of Com-CSY for 2016-17. The major tasks were as follows:

1. Identify Key Safety Procedures and Publish Guidelines;
2. Trial run scheme in the construction sites for the application of Safety Belt Engagement Sensing System on the truss out scaffolding and Rear RFID Sensing System;
3. A study on “Risk Taking Behaviour of Hong Kong Construction Workers” with DEVB;
4. A small Working Group was formed to explore possibility to build up a new Safety Experience and Training Centre;
5. Experiential Learning on Site Safety for university students in association with HKCA;
6. Construction Safety Promotional Campaign and Good Housekeeping Campaign with Occupational Safety and Health Council (OSHC);
7. Construction Safety Week 2016; and
8. Reviewing existing content and format of Mandatory Basic Safety Training Course with Labour Department and other stakeholders.

The above tasks were related to Recommendations No. 30, 32, 33 and 35 of the McKinsey’s Interim Report. AF said that more task force meetings would be held to follow up on the recommendations of the McKinsey Interim Report.

The following issues were highlighted:

- Item 1.4 – The Council approved the proposed list of co-opted members, with the nominated co-opted members outnumbering the Council Members joining the Com-CSY.
- Item 1.6 – A site visit of a Body Builder of lorry-mounted cranes and trial run of the “Lorry-mounted Cranes Pre-use Checklist” at Tin Shui Wai were arranged by the CIC Secretariat on 14 March 2016.

On item 1.3, the Chairman added that the 6 year rule would apply to all task forces under the various Committees and Boards as an in-house requirement.

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In order to encourage more workers to participate in the Safety Week, AF suggested looking into the possibility of organising the 2017 Safety Week during weekends.

Com-CSY

KYL proposed Com-CSY to set up an industry award for design buildability and safety in collaboration with Com-PNR as recommended in the McKinsey's Interim Report. In response, AF said that the proposal would be discussed at the next Com-CSY meeting. She also suggested that the recommendations of the McKinsey's Interim Report should be consolidated for easier implementation.

AF further pointed out as several awards would be presented during the Safety Week, it would be more appropriate to take stock of existing Awards first.

Members had no comments on other items stated in the Paper CIC/CMT/P/023/16.

[AF left the meeting at this juncture.]

2.12 1st Meeting of Committee on Procurement and Subcontracting for 2016

Members took note of the Paper CIC/CMT/P/024/16.

SLI gave a powerpoint presentation on the work plan of Com-PNS for 2016-17. The tasks carried forward from 2015 were as follows:

1. To publish "Reference Materials on the Selection of Contractors";
2. To publish 2 volumes of "NEC Project Case Book";
3. To draft "Standard Form of On-demand Bonds with Conditions"; and
4. To publish "Simplified Version of Standard Form of Subcontract".

The tasks relating to the implementation of Recommendations No. 16, 53 and 58 of the McKinsey's Interim Report were:

1. To conduct a consultation study on the tender practices in the private sector with regards to the considerations given to innovation and creativity;

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2. To continue the existing NEC Project Manager, Supervisor and Term Service Manager Accreditation Programmes delivered in collaboration with NEC UK; and
3. To conduct a consultation study to explore various standard form of collaborative contracts suitable for use in Hong Kong.

New initiatives in the area of Security of Payment, Overseas Collaboration as well as Repair, Maintenance, Addition and Alteration Sector (RMAA) would also be considered in 2016. SLI added that the Contracts (Right of Third Parties) Ordinance came into effect on 1 January 2016.

The Chairman requested organising an industry workshop for the Contracts (Right of Third Parties) Ordinance and enhancing publicity for the Competition Ordinance.

Com-PNS

The following issue was highlighted:

- Item 1.4 - The Council approved the proposed list of co-opted members, with the nominated co-opted members outnumbering the Council Members joining the Com-PNS.

SLI announced that PHL had accepted to become the Chairman of the Task Force on Selection of Contractors.

HCK expressed concern on the decrease in the renewal applications of registered Subcontractors under the Subcontractor Registration Scheme (SRS). In response, CT said that the Task Force on Enhancements to SRS should consider reviewing the related rules if appropriate.

Com-PNS

Members had no comments on other items stated in the Paper CIC/CMT/P/024/16.

[SCW left the meeting at this juncture.]

2.13 1st Meeting of Committee on Environment, Innovation and Technology for 2016

Members took note of the Paper CIC/CMT/P/025/16.

KP gave a powerpoint presentation on the work plan of Com-EIT for 2016-17. Major tasks were as follows:

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1. Provision of Consultancy Services for the Survey on the Potential Utilisation of Prefabrication Yard in Hong Kong;
2. Launching of a small-scale pilot project by DevB for trial run to verify the practicability of using river sand substitutes;
3. Research on Carbon Labelling Scheme (Phase II); and
4. Conducting a Consultancy Study on the Strategy for Management and Reduction of Construction and Demolition Waste in Hong Kong.

The above tasks were related to Recommendations No. 20, 45, 46 and 50 of McKinsey Interim Report.

The following issues were highlighted:

- Item 1.4 - The Council approved the proposed list of co-opted members, with the nominated co-opted members outnumbering the Council Members joining the Com-EIT.

LN requested inviting Hong Kong Construction Sub-Contractors Association to nominate a person to become co-opted member of Com-EIT.

KP announced that the Government had approved the Draft Outline Zoning Plan and reclamation related to the Three-runway System. On the other hand, the Chairman considered that the first local prefabrication yard in Tsing Yi was good material for publicity. HCK added that the prefabrication yard was run by an operator. Should there be any related publicity work, it could be conducted collectively among CIC, DEVB and the operator. The Chairman requested the Secretariat to follow up if any related publicity could be conducted.

CIC, DEVB

[Post Meeting Note:

DEVB conducted a briefing session specifically for relevant trades on 24 March 2016 to promote the List of Approved Steel Reinforcing Bar Fabrication Yards for Public Works (the List) managed by the Government. Prefabricated rebar products manufactured by yards on the List to be accepted by all public works projects was particularly highlighted in the briefing session to attract more entrants to the List.]

Members had no comments on other items stated in the Paper CIC/CMT/P/025/16.

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[KP, CCC and CPK left the meeting at this juncture.]

2.14 Update on the work of Construction Workers Registration Board

Members took note of the Paper CIC/CMT/P/026/16 tabled at the meeting.

OYL gave a powerpoint presentation on recommendation No. 9 of the McKinsey Interim Report and implementation of Designated Workers for Designated Skills.

In order to promote broader provisions of workers benefits, it was suggested to conduct a consultancy study on Construction Site Environment and Perception of workers in 2016. The study would comprise of vertical and horizontal transportation, facilities for female, support facilities on site and workers' insurance. Several Members were of the view that a survey on the subject could be conducted first instead of commissioning a consultancy study.

CWRB

The tasks related to the implementation of Designated Workers for Designated Skills were as follows:

1. To organise promotion campaign of Designated Workers for Designated Skills to public and construction stakeholders;
2. To explore collaboration and mutual recognition of overseas training and trade testing institutions;
3. To conduct trial run inspection for Designated Workers for Designated Skills; and
4. To implement Senior Workers Registration Arrangement which would be due on 30 September 2016.

The Registration Services Division would continue to implement the Construction Workers Registration System and to issue new Construction Workers Registration Card.

The following issues were also highlighted:

- Item 2.1 – Members agreed that MPFA flyers could be distributed at CIC Service Centres. CIC would not commit extra resources in handling of MPF Industry Schemes Accounts with incomplete/ non-updated information.

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- Item 2.4.1 – DEVB had presented the key requirements and suggested amendments to the proposed exemption arrangement to the Designated Workers for Designated Skills during the CWRB meeting and Members had no objections to the relevant document.
- Item 2.5.5 – The following measures were implemented to promote the Designated Workers for Designated Skills:
 1. Sent SMS to 58,000 workers with at least 5-year registration and aged 35 or above;
 2. Erected banners at over 270 work sites;
 3. Letters had been sent requesting the owners' corporations of 20 buildings under OBB scheme of URA and HKHS to assist in the promotion by erecting banners or displaying posters; and
 4. Erected 25 roadside banners in Shatin, Yuen Long, Sai Kung, Tuen Mun and North district.

Members had no comments on other items stated in the Paper CIC/CMT/P/026/16.

2.15 Any Other Business

2.15.1 MYP invited Members to join the CIC Technical Seminar on CIC Innovation Award 2015 Award Showcase which would be held on 20 May 2016 p.m. at ZCB. Registration would be free for all participants.

2.15.2 The Chairman invited Members to join the CIC Annual Dinner at L'Hotel Nina et Convention Centre in Tsuen Wan on 8 July 2016.

2.16 Tentative Date of Next Meeting 003/16

The next meeting was scheduled for 17 June 2016 (Friday) at 2:30 p.m. at Multi-purpose Hall of ZCB, 8 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong. **All to note**

There being no further business, the open-door session of the meeting was adjourned at 6:20 p.m.