

**Construction Industry Council**

Meeting No. 004/15 of the Construction Industry Council for 2015 was held on Friday, 28 August 2015 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	:	Shing-see LEE	(SSL)	Chairman
		Andrew CHAN	(AKYC)	
		Hau-wai CHEUNG	(HWC)	
		Paul CHONG	(PC)	
		Stephen LAI	(SLI)	
		Robert LAM	(PHL)	
		Christopher LEUNG	(KYL)	
		Lawrence NG	(LN)	
		Melissa Kaye PANG	(MKP)	
		Sze-chun WONG	(SCW)	
		Reuben CHU	(RCU)	
		Ringo Shek-man YU	(RiYu)	
		Siu-wai HUI	(SWH)	Director of Buildings
		Siu-hung CHAN	(SHC)	
		Luen-kiu CHOW	(LKC)	
		Tai-chong CHEW	(TCC)	
	Ada FUNG	(AF)	for Permanent Secretary for Transport and Housing (Housing)	
	Kevin POOLE	(KP)		
	Mike WONG	(MW)		
In Attendance	:	Albert LAM	(ALa)	Development Bureau
		Dominic CHOW	(DCW)	Development Bureau
		Christopher TO	(CT)	Executive Director
		Alex LEUNG	(AL)	Director – Training and Development
		Ivan WONG	(IW)	Director – Registration Services
		Cheryl IP	(CI)	Assistant Director –HR, Facilities Management & Admin
		Miranda YEAP	(MYP)	Senior Manager – Council Services
		Katherine TAM	(OKT)	Senior Manager – Finance
	Belle HO	(CYH)	Manager – Council Services	
Apologies	:	Wilfred Shek-chun WU	(WSCW)	
		Chi-wah LAI	(CWL <i>i</i> )	
		Tak-ching MAK	(TCM)	
		Allan CHAN	(SKC)	
		Chi-keung HON	(HCK)	Permanent Secretary for Development (Works)

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[The open-door session of the meeting started at 5:00 p.m.]

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

Members referred to Paper CIC/CMT/M/003/15 and approved the minutes of the open-door session of the 3<sup>rd</sup> meeting of 2015 held on Friday, 19 June 2015 at Meeting Room 1, Construction Industry Council Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong.

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

Nil.

**4.12 2<sup>nd</sup> and 3<sup>rd</sup> Meeting of Committee on Procurement and  
Subcontracting for 2015**

A verbal report was made by TCC on the progress of the 2<sup>nd</sup> Meeting of Com-PNS at the last meeting. Members had no comments on items in Paper CIC/CMT/P/038/15.

MYP briefed Members on the progress of the Com-PNS meeting held on 27 August 2015.

The following issues were highlighted:

- Reference Materials on Competition Law was endorsed.
- Animation Video on Bid-rigging was endorsed in principle with some adjustments and more emphasis on bid-rigging without a reference to bribery.
- A Member requested implementing immediate punishment to subcontractors who failed to pay their workers on time. The Chairman of Com-PNS had remarked that the Task Force on SRS would need to look into ways to enhance the SRS operation.
- Many Members voiced their comments on the McKinsey Report. They were summarised as follows:
  - (a) The McKinsey report should be led by CIC; they considered that McKinsey should only assume a fact finding role and that individual CIC Committees should be consulted before the chapters were presented as a final

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draft;

- (b) The delivery of recommendations as it was now would render the whole thing to be an academic exercise of which the recommendations might not be practical for implementation; and
- (c) The McKinsey Report in its present form should only be for internal reference while the report for the public should be scaled down to a 30-40 page one.

In response, the Chairman confirmed that the current report submitted was a draft report rather than a draft final report. A Retreat for Council Members on the McKinsey Report would be organised in late November/ early December 2015 while the Forum on Construction Industry Future Roadmap would be held on 30 September 2015. Four more consultations would be conducted before finalising the report.

Several Members were of the view that the McKinsey Report should be submitted to CIC and CIC would then formulate its views based on McKinsey's finding to produce a CIC Report. Such report could then be named as CIC Report instead of McKinsey Report. McKinsey should take up the role as data collection and fact finding and propose appropriate recommendation for Council's consideration. On the other hand, priorities should be set during the Retreat. Those recommendations with a wide consensus among the Members would be accorded a higher priority while those disagreed or could not reach consensus would be record in the CIC Report.

*[MW left the meeting at this juncture.]*

ALa opined that some of the recommendations of McKinsey were not acceptable from government's point of views and comments were given to McKinsey for further review. Response from McKinsey was yet to be provided. As commented by other Members, the current report from McKinsey could not be issued for public consultation at its present stage. The current status of the Report should be made clear for the forum in September. McKinsey might consider presenting the report as a "draft-in-progress" for seeking views from stakeholders.

A member suggested that as it was important to let the public know that CIC had not formed its view on the Report at this stage, it was suggested that the current version of the Report for public

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consultation should be renamed as 'Final Draft Report for CIC discussion'.

The Chairman concluded that Members of the Committees should provide their comments on the Report for McKinsey's further review of their recommendations and revise the Report. The current report was in the drafting stage which was not yet a draft final report. The way forward for conducting the coming Retreat would be further discussed in the next Council meeting.

**4.13 2<sup>nd</sup> Meeting of Committee on Productivity and Research for 2015**

KYL said that the progress of the 2<sup>nd</sup> Meeting of Committee on Productivity and Research for 2015 would be reported in the Council Meeting in October 2015.

**4.14 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> Meeting of Construction Industry Training Board for 2015**

A verbal report was made by AL on the progress of the 5<sup>th</sup> Meeting of CITB at the last meeting. AL briefed Members on the Paper CIC/CMT/P/040/15 and CIC/CMT/P/041/15.

The following issues were highlighted:

- Item 6.5 - The report on two benchmarks for effectiveness, i.e. the application rate and the enrolment rate, of Basic Craft Courses and Construction Supervisor/Technician Programme offered in September 2014 and the short courses offered from January to March 2015, and the suggestions made by the Task Force on Training were accepted.
- Item 6.6 – The proposal by the Task Force on Trade Testing on introducing trade test for Cable Jointer (without power) and the related trade test questions, and to outsource the test was accepted.
- Item 6.7 – The post-event report of Construction Manpower Seminar 2015 co-organized by CIC and DEVB on 30 March 2015 was noted. Suitable topics from the report would be selected for thorough discussions in future CITB meetings.
- Item 6.10 – The Summary Notes of Joint Meeting 003/15 of

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Task Force on Contractor Cooperative Training and Apprenticeship Scheme and Task Force on Sub-contractor Cooperative Training, On-the-job Training, E&M Training and Subsidy Scheme were noted, especially the part of CIC discussing with Vocational Training Council (VTC) on the full arrangements for subsidizing E&M courses in the future, including:

- i) VTC had to submit a proposal for extending the subsidised places for technician courses to cover 8 disciplines for CITB's consideration;
  - ii) VTC must provide data on course effectiveness and trainees' employment over the past 2 years for CIC to consider the feasibility and appropriate number of subsidised places; and
  - iii) CIC would help promote the Diploma in Construction course to be offered by VTC in coming September by informing trainees that they could consider applying for the course upon graduation. In addition, VTC would not make individual request for subsidising their courses or transferring the remaining subsidies to other courses.
- Item 7.3 – The following new proposal for Advanced Construction Manpower Training Scheme (ACMTS) – Pilot Scheme was accepted by Members. If a trainee attained full attendance for the month, he/she could receive the monthly salary in whole. If the attendance was affected by factors like delay in construction work or inclement weather conditions, the employer could only deduct the salary for the days of absence proportionally.
  - Item 7.4 - The revised and updated Code of Conduct for Members with reference to the sample ordinance of ICAC, which would take effect on the new term in 2016 was noted. By then, Members had to sign for acknowledgement and make necessary declarations annually.
  - Item 7.5 - The final draft report on the Development strategy for Hong Kong construction industry was submitted by McKinsey & Company to CIC, and the consultant would give a presentation in the next CITB meeting.
  - Item 7.8 - The statistics regarding the application rate and enrollment rate for cooperative training schemes from January to April 2015 was noted. The overall application

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rate and enrollment rate were 14% and 33% respectively. Since the application rate was unsatisfactory, it was necessary to re-consider the previous proposal of integrating various cooperative training schemes into “Construction Industry Subsidy Training Scheme”. Subsidy should be specifically provided to employers who had a genuine intention for training and would hire trainees in the long run. CIC would recruit trainees centrally and tailor suitable cooperative training schemes for contractors and sub-contractors as well as consider adjusting the amount of subsidy. CITB would continue to consider stepping up efforts to improve the Scheme.

- Item 7.11& 7.12 - For the promotion work on “designated workers for designated skills” under the above Ordinance, Members not only supported the newly approved promotion item regarding an outreach team for “registration arrangements for senior workers” and “trade tests”, but also proposed to increase the number of outreach teams and provide some incentives to attract workers to come and submit applications.

AL gave a powerpoint presentation on the WorldSkills Sao Paulo 2015. Representing Hong Kong, CIC’s delegation entered four competitions, in one of which a Medallion for Excellence was awarded to Mr. HUI Yip-keung. The three other contestants came very close to winning an award. The delegation of the 2015 WorldSkills Competition was honoured to attend the Chief Executive’s Reception at the Government House on 27 August 2015.

Members had no comments on other items in Paper CIC/CMT/P/039/15, CIC/CMT/P/040/15 and CIC/CMT/P/041/15.

**4.15 3<sup>rd</sup> Meeting of Construction Workers Registration Board for 2015**

Members took note of the Paper CIC/CMT/P/042/15.

**4.16 2<sup>nd</sup> Meeting of Committee on Construction Safety for 2015**

Members took note of the Paper CIC/CMT/P/043/15.

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**4.17 3<sup>rd</sup> Meeting of Committee on Environment, Innovation and Technology for 2015**

Members took note of the Paper CIC/CMT/P/044/15.

**4.18 Any Other Business**

Nil.

**4.19 Tentative Date of Next Meeting 005/15**

The next meeting was scheduled for 30 October 2015 (Friday) at **All to note** 2:30 p.m. at Meeting Room 1, Construction Industry Council Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong.

There being no further business, the open-door session of the meeting was adjourned at 5:55 p.m.