

**Report to CIC on the Focus Group Sessions on Amalgamation
for CITA's Staff on 13 and 16 August 2007**

Further to the briefing session for CITA's staff on the amalgamation on 16 April 2007, three focus group sessions were organized by CIC, with the assistance of CITA's management, for CITA's staff with common background and interest, namely training, trade testing, and levy and finance. The first session was conducted on 13 August 2007 and the other two on 16 August 2007. Mr Keith Kerr, Chairman of CIC, and Mr Billy Wong, Chairman of CIC's Committee on Manpower Training and Development and the Authorized Representative of CIC on Amalgamation, attended the sessions together with Mr Jack Chan, PAS(W)1 and Mr KH Tao, CAS(W)1, representing the CIC Secretariat. Mr Charles Wong, Executive Director of CITA served as MC of the three sessions.

A. Address by Mr Keith Kerr, Chairman of CIC

2. Mr Kerr briefed CITA's staff on the overall objectives and the "minimalistic" approach to be adopted by CIC in implementing the amalgamation. On concerns expressed by CITA's staff at the briefing session held in April 2007 regarding possible impact of the amalgamation on their job security and duties, he emphasized that various parts of the CIC Ordinance had ensured that the amalgamation would have no adverse impact on CITA staff. He assured them that CIC was committed to honour the previous pledge made by him as the then Chairman of PCICB in April 2006 to the LegCo Bills Committee that no major organizational changes or staff retrenchment would arise from budgetary reasons within two years after the enactment of the CIC Ordinance and within two years upon the setting up of CIC, i.e. two years from 1 February 2007. In July 2007, the LegCo Panel on Planning, Lands and Works was briefed on the plan to proceed with the amalgamation scheduled to take place on 1 January 2008 in accordance with the relevant provisions of the CIC Ordinance and LegCo Members thereat expressed no objection to the plan or the proposed timetable for the amalgamation.

3. Mr Kerr explained to CITA's staff that, pursuant to the CIC Ordinance, CIC would take over the levy collection functions and establish the Construction Industry Training Board (CITB) to perform functions set out under section 6 of the Ordinance, including those similar to CITA's current functions on construction training and trade testing. The initial assessment was that the amalgamation would not have significant impact on the existing functions, including levy, construction and trade testing to be transferred from CITA to CIC and CITB respectively, nor on the staffing structure required for delivering these functions. CIC would expect to have its Executive Director in post and its permanent secretariat set up by end of 2007. By then, necessary reshuffling of posts at the senior management level would be determined in the light of the overall operational needs but there would not be significant impact on the routine operations involving the vast majority of working level and front line staff.

4. Mr Kerr informed CITA's staff that one of the key tasks of CIC would be to study the manpower situation of the construction industry so that supply would be able to match the demand. To make a start of this complicated task, CIC had requested CITA to study both the short-term and long-term demand against the anticipated supply situation of construction workers. The study would involve inputs from the CITA's Board, management and training staff. The outcome of the study would form the basis for planning a comprehensive manpower development strategy for the construction industry.

5. Mr Kerr looked forward to working together with CITA's staff, who would become CIC's staff after the amalgamation, to advance the construction industry through team efforts.

B. Address by Mr Billy Wong, Chairman of CIC's Committee on Manpower Training and Development and the Authorized Representative of CIC on amalgamation

6. Mr Billy Wong shared with CITA's staff his preliminary thinking and observations in order to gather their initial feedback on the possible way forward for future development of construction training and trade testing.

7. Mr Wong expected that with the implementation of the construction workers registration system, it would be possible to compile comprehensive statistics on actual supply of construction workers. Taking into account the projected manpower demand arising from the public and private sector development projects, CIC could possibly formulate a forward-looking manpower training plan, say for the next six months to two years, on the basis of the actual manpower supply and the projected market demand.

8. Mr Wong also suggested possible directions for widening the scope and diversifying CITA's construction training and trade testing activities:

- (a) introducing technician training programmes for the construction industry to provide steady supply of well-trained technicians;
- (b) providing accreditation for training courses offered and certificates issued by different industry organizations in respect of construction-related subjects, such as construction site safety and occupational safety etc;
- (c) providing training for sub-contractors to improve skills and knowledge with a view to implementing the mandatory subcontractors registration in the long run; and
- (d) providing training for construction workers and technicians working in construction sites outside Hong Kong to equip them with knowledge on the relevant regulatory controls under different jurisdictions;

9. As for the proposal suggested by CITA's staff that CITA could provide training and trade testing functions for the construction related E&M trades, Mr Wong noted that the functions had been outsourced by CITA about three year ago and were currently provided by VTC. Mr Wong expected that the construction industry would eventually reached a consensus after thorough discussions to resolve possible controversies on this matter.

C. Concerns raised by CITA's staff relating to the amalgamation

(I) Communication of CIC with CITA's Board and staff

10. Having regard to the request for more meetings between CIC and CITA's staff, CIC had organized the briefing session in April 2007 and three focus group sessions in August 2007 to continue direct dialogue with CITA's staff. Also, CIC would continue to maintain close communication with CITA's staff. Under the two-tier liaison mechanism established between CIC and CITA at the board-level and working-level respectively, ongoing discussions had focused mainly on administrative matters relating to the amalgamation which had to be addressed with priority, e.g. transfer of assets and levy-related functions, legal matters, insurance arrangements etc.

(II) Future organizational hierarchy after the amalgamation

11. CIC would set the broad direction and strategy for CITB's future development but would not be involved in the day-to-day management of the training and trade testing functions.

12. CIC and its Committee on Manpower Training and Development would discuss the proposed subcommittee structure of the future CITB. CIC would also consider designating a new name for the training establishments under CITB.

13. CIC would consider the programme of activities and budget estimates to be submitted by CITB. All existing CITA staff would become CIC employees after the amalgamation and sufficient funds would be allocated to meet necessary operational expenses.

14. In the long run, CIC would aim to achieve uniformity of employment terms and conditions of its employees but did not have a timetable for implementation at this stage.

(III) Future development of construction training

Participation of CITA's Board and staff

15. On the role of CITA Board and its Committees in formulating the strategy for future development of CITB, CIC would welcome CITA Board and CITA's management to forward their views to CIC's Committee on Manpower Training and Development for consideration.

Resource allocation for training functions

16. In response to the concern expressed by CITA's staff on whether sufficient resources would be allocated in future to provide construction training and take forward the different new initiatives to be introduced, CIC assured that it would allocate sufficient resources for construction training. However, CIC would expect that the future CITB would suitably adjust its programme of activities and estimates in response to the changing market needs, e.g. to introduce new technology for application in the construction industry.

Stepping up publicity of training programmes

17. On the suggestion that additional resources should be allocated to step up publicity of the construction training programmes to attract a larger number of trainees and improve the corporate image, CIC would strive to bring about improvements in overall quality and standards of the construction industry and long term career prospects of trainees which would be crucial for attracting the younger generation to join the construction industry.

Improving standards of training

18. CIC and its Committees would give further consideration on the provision of training to frontline training staff, i.e. train the trainers, to improve their skill sets and standards for meeting the future training requirements, e.g. new technology, new training functions etc.

19. CIC and its Committees would explore the potential for exporting expertise to markets outside Hong Kong and the possibility of adjusting local training programmes to meet the different overseas skills and standards requirements.

Scope and levels of trade testing

20. On the suggestions from CITA's staff for providing trade tests for new trades and introducing trade tests at multiple intermediate levels for existing trades, CIC would consider this complex and potentially controversial matter after receiving further detailed proposals from CITA's staff.

D. Follow up actions by CITA's management

21. To enhance internal communication, CITA would publish on its intranet timely updates on the latest progress on preparation work for amalgamation. Detailed records of the discussions at the three focus group sessions would also be uploaded for reference by CITA's staff.

22. Mr Charles Wong remarked that other staff matters raised by staff before or at the sessions which were not directly related to the amalgamation would be addressed separately at the CITA's Staff Consultative Committee on 27 September 2007.

E. Way forward

23. The focus group sessions were conducted very smoothly. About 200 CITA's staff attended and there was cordial and effective exchange of views between CIC and CITA's staff. CIC would continue to have further and suitable exchanges with CITA's staff on matters relating to the amalgamation.

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