

# Amalgamation with CITA

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# 1. Background

- The CIRC recommended in its Report published in 2001 that
  - A statutory industry co-ordinating body, which is equivalent to the existing CIC, should provide guidance to the Construction Industry Training Authority (CITA) and set directions for its work.
  - The levies currently collected from the construction industry under various ordinances should be pooled together for more efficient deployment of resources and to fund daily operations of the CIC as well as other activities that will benefit the industry at large.

- The CIC Ordinance enacted in May 2006 provides for
  - the eventual amalgamation of CIC and CITA whereby CITA will be dissolved and its rights, liabilities and obligations will be vested in CIC when the amalgamation takes effect.
  - the transfer of the existing functions of CITA in relation to training and trade testing to a new committee named as the Construction Industry Training Board (CITB) to be formed under CIC
  - the taking over of the levy collection functions of CITA including the Objections Committee by CIC direct.

## 2. Discussions with CITA Board Hitherto

- At the informal meeting of PCICB and CITA on 7 November 2006, the Secretariat provided CITA Members an initial overview of key issues involved in the amalgamation of CIC and CITA.
- At the 215<sup>th</sup> CITA Board meeting held on 12 December 2006, the Secretariat briefed CITA Members on the legislative framework and logistics for amalgamation as well as the proposed two-tier liaison mechanism with Liaison Groups set up at the board level and working level.

- At the 216<sup>th</sup> CITA Board meeting held on 20 March 2007, CITA has decided to set up a Taskforce on Amalgamation, comprising 6 CITA Members (including 1 Co-opted Member of its Committees) and 3 CITA senior management staff members (including Executive Director, Accounting Manager and Human Resources Manager).
- The Secretariat has met with three Chairmen of CITA Committees in late May 2007 to get better understanding of their work. Meetings will be held with the remaining four.

### 3. Role of Government Bureaux Concerned

- EMB is currently the policy bureau responsible for CITA's housekeeping matters, such as tabling of the CITA Annual Report 2006 to LegCo in June 2007 etc.
- Works Branch will take over the above role with effect from 1 July 2007(with the proposed reorganization of the Government Secretariat).

## 4. Liaison Groups on Amalgamation

- As agreed at the 2nd CIC meeting, Liaison Groups will be set up at the board level and working level.
- Liaison Group at the board level comprises
  - 6 CIC Committees Chairmen;
  - 4 CIC Members who have signed in (Ms Teresa Cheng, Mr CHOI Chun-wa, Mr POON Man-hon and Mr WAN Koon-sun); and
  - Works Branch representatives (Miss Janet Wong, Mr Jack Chan, Mr David Tong and Mr K H Tao).
- The Liaison Group at board level (the CIC side) will hold its first meeting on 11 June 2007.

- Liaison Group(s) at working level comprises
  - Mainly paid staff of CIC and CITA;
  - 2 CIC members who have indicated their interests to contribute to its work; and
  - Works Branch representatives (Mr Jack Chan and Ms Cindy Kwan)
- The Liaison Group(s) at working level will map out the transitional arrangements in key areas for consideration by the Liaison Group at board level.



## Matters for Discussion by the Liaison Groups :

- General framework of amalgamation and the relevant logistic arrangements on the following areas:
  - Legislative procedures
  - Formation of CITB
  - Transfer of levy mechanism
  - Transfer of assets
  - Ancillary changes required
  - Publicity for amalgamation
- Details will be elaborated in the Paper No. LGB/002 for discussion by the Liaison Group.

## 5. Programme of Actions

- It is proposed that CIC should formally requested CITA to submit a programme of actions for key functional areas as well as other follow-up actions as necessary.

## 6. Gathering inputs from CITA Staff

- The CITA management organized a briefing session on 16 April 2007 for CIC to introduce the general framework on amalgamation to CITA staff. Mr Billy Wong, Chairman of CIC Committee on Manpower Training and Development and representatives of the Secretariat conducted the briefing which was attended by over 200 CITA staff members.
- At the briefing session, some CITA staff urged for
  - early consultation of CITA staff on transitional arrangements before finalization of the details; and
  - participation of CITA staff representatives in the process of formulation of the arrangements.

## Focus group sessions :

- To facilitate CITA staff to contribute their inputs for consideration in drawing up the programme of actions on amalgamation, it is proposed that CIC together with CITA management will organize a series of 3 focus group sessions involving different groups of CITA staff.
- Each session will involve CITA staff of common operational functions and expertise, such as administration, finance and levy; training; trade testing etc.
- The CIC Chairman will address the opening. Members of CIC are most welcome to attend.

# 7. Legislative Procedures

- Under the CIC Ordinance (Cap. 587), there are existing provisions enabling the amalgamation of CIC with the Construction Industry Training Authority (CITA) and repeal of the Industrial Training (Construction Industry) Ordinance (Cap. 317).
- Secretary for Development\* will appoint through a Commencement Notice the following relevant provisions of the CIC Ordinance to take effect on 1 January 2008 -
  - Part 4 and Schedule 4 – appointment of CITB
  - Parts 5, 6 & 7 and Schedules 1 & 5 – Levy and related matters
  - Parts 8 & 9 and Schedule 6 – Miscellaneous provisions

\* Subject to approval of the reorganization of Government Secretariat by LegCo

- The Commencement Notice, which will be a subsidiary legislation, will be published in the government gazette and tabled for negative vetting by LegCo in mid October 2007.
- It takes at least 28 days (or up to 21 more days) to complete the legislative process after the tabling of the Commencement Notice.

## 8. Way Forward

### Events

### Expected Timeframe

- The Liaison Group at board level will discuss on the relevant logistic arrangements for the amalgamation.  
(1<sup>st</sup> meeting scheduled for 11 Jun 07)
  - LegCo Panel will be briefed on the legislative timetable and preparatory work
  - Setting up of Amalgamation Team
- (Details will be discussed under Paper No. CIC/021)

## Events

## Expected Timeframe

- Focus group sessions will be organized by CITA management. Jul-Aug 07
- A programme of actions for key functional areas will be drawn up by CITA Committees and management. Jul-Aug 07
- The Liaison Group(s) at working level will discuss the transitional arrangements. Aug 07



Note: Throughout the process, the CIC Liaison Group at board level will be kept abreast of the development.

# Advice please