

Construction Industry Council

The 13th Meeting of the Construction Industry Council was held on Friday, 19 December 2008 at 2:30 pm at Room 1201, Murray Building, Garden Road, Central.

Present	:	Keith KERR	(KK)	Chairman
		Francis BONG	(FB)	
		Andrew CHAN	(AC)	
		Teresa CHENG	(TC)	
		CHEUNG Tat-tong	(TTC)	
		James CHIU	(JC)	
		CHOI Chun-wa	(CWC)	
		Thomas HO	(TH)	
		KO Jan-ming	(JMK)	
		Thomas KWOK	(TK)	
		LAM Wo-hei	(WHL)	
		Peter LEE	(PL)	
		LEE Shing-see	(SSL)	
		TSE Chun-yuen	(CYT)	
		WAN Koon-sun	(KSW)	
		Conrad WONG	(CW)	
	YU Wai-wai	(WWY)		
	C K MAK	(CKM)	Permanent Secretary for Development (Works)	
	Ada FUNG	(AF)	for Permanent Secretary for Transport and Housing (Housing)	
	LAM Siu-tong	(STL)	for Director of Buildings	
In Attendance	:	Enoch LAM	(EL)	Deputy Secretary for Development (Works) 2
		K K YEUNG	(KKY)	Principal Assistant Secretary for Development (Works) 1
		TAO Kei-hung	(KHT)	Chief Assistant Secretary for Development (Works) 1
		Alan AU	(AA)	Assistant Secretary for Development (Policy & Development)
		Rico CHEUNG	(RC)	Assistant Secretary for Development (Policy & Development) 3
		Christopher TO	(CT)	Executive Director
	Charles WONG	(CWG)	Director (Training)	
	Theresa CHAN	(TCN)	Senior Manager (Finance & E-Services)	

	CHIU Yon-chen	(YCC)	Senior Manager (Human Resources & Administration)
	Ivan WONG	(IW)	Senior Manager (Council Services) 2
	Phoebe LEUNG	(PLG)	Manager (Council Services) 2
Apologies	:	Russell BLACK (RB)	
		Stanley HUI (SH)	
		Edgar KWAN (EK)	
		NG Koon-kwan (KKN)	
		Billy WONG (BW)	
		C K AU (CKA)	Director of Buildings

MINUTES

Action

13.1 Confirmation of Minutes of the 12th Meeting

Members took note of Paper CIC/CMT/M/012/08 and approved the minutes of the 12th meeting held on Friday, 31 October 2008 at Murray Building.

13.2 Matters Arising from the 12th Meeting

13.2.1 Reference library listing construction research projects

The Development Bureau had passed the research materials previously received from the Construction Industry Institute – Hong Kong by the then Provisional Construction Industry Co-ordination Board to the CIC Secretariat. Such information together with the data collected from universities would be consolidated into a reference list for Members' information.

**CIC
Secretariat**

13.2.2 Proposed Enhanced Ethical Status (EES) by ICAC

The Committee on Subcontracting declined ICAC's proposal to introduce the EES into the Voluntary Subcontractor Registration Scheme (VSRS) on the premise that the VSRS was to promote good practices for all subcontractors in the industry while ICAC's proposal only targeted those undertaking building maintenance works.

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13.2.3 Promulgation of the price fluctuation system to the private sector

The Committee on Procurement would give further consideration to the promulgation of the guidelines on contract price fluctuation system at its next scheduled meeting. The Committee was in the process of drafting the guidelines on partnering.

Com-PCM

13.2.4 Impact of global economic downturn on the local construction industry

Members took note of a letter dated 1 December 2008 from the Hong Kong Construction Industry Employees General Union (HKCIEGU) advocating expeditious assessment of the impact of financial crisis on Hong Kong construction industry and the countermeasures to be taken. Members also took note of a reply letter dated 8 December 2008 from the Chairman in response to HKCIEGU's concerns.

In relation to the public sector, Government would continue to press ahead with the Ten Major Infrastructures and planned to submit about 100 public works projects to the Legislative Council (LegCo) for funding approval in the 2008-09 LegCo session. More minor works contracts which were generally more labour-intensive would also be implemented.

In addition, the Hong Kong Housing Authority would advance their capital and minor works to help address the current unemployment problems in the industry.

13.3 **7th Meeting of Committee on Construction Site Safety**

Members noted that the Committee held its 7th meeting on 12 December 2008 and received a verbal report from the chairman of the Committee.

The Committee received a presentation from the Hong Kong Mediation Council on a new insurance mediation scheme which might deserve consideration for future application in minor site accidents. The Committee also received a presentation from the Electrical and Mechanical Services Department (EMSD) on

the lift incident that happened on 25 October 2008 in Tai Po. Noting that the incident was still under review, the Committee would further discuss the lift safety matters upon receipt of the report from the EMSD in due course. The incident also revealed the shortcomings in the bundling procurement approach for lift maintenance contracts. Members took note that bundling contracts for lift maintenance was not a good practice and original suppliers of lifts should be appointed as the lift maintenance contractors as far as practical; the challenge was how to keep pricing competitive.

For the Pay for Safety Scheme, the Committee was considering some administrative arrangements such as a positive labelling system to encourage adoption by the private sector. The Hong Kong Construction Association supported in principle such initiatives.

13.4 7th Meeting of Committee on Subcontracting

Members took note of the Paper CIC/CMT/P/107/08.

A Task Force was formed to steer the Survey of Problems of Outstanding Payments in Construction Supply Chain (Survey). In view of the recent financial crisis, the scope of the Survey would extend to cover those main contractors and electrical and mechanical specialist contractors which had been surveyed by the Hong Kong Construction Association as well so as to obtain updated data in the existing volatile business environment.

As to security of payment, the Committee was requested to report the progress from time-to-time rather than upon the completion of the whole review, thus updating Members on the latest development in this subject.

Com-SBC

13.5 9th Meeting of Committee on Environment and Technology

Members took note of the Paper CIC/CMT/P/108/08.

The Committee contemplated conducting two research projects, namely river sand substitutes and adhesion technologies and fixing methods for external wall tiles. For the latter topic, as the Buildings Department (BD) and the Housing Department (HD) had certain involvements in similar studies, the Committee agreed to set up a steering group and with the assistance of BD

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and HD, to work out a suitable research brief for further consideration.

The Committee also deliberated on the approaches to handle research projects initiated by CIC and collaborative research initiated by universities or research institutes, and set out the guidelines and procedures for Members' reference. Some Members observed that universities were not willing to conduct applied research as compared with academic research in the past. Given the University Grants Committee was concerned with the contribution of research to the community, universities were finding ways to integrate applied research with academic research. Members considered that CIC was heading in the right direction by collaborating research efforts with local universities as far as possible.

13.6 6th Meeting of Construction Industry Training Board

Members took note of the Paper CIC/CMT/P/109/08.

The Committee discussed the 2009 budget estimates for the Construction Industry Council Training Academy (CICTA). For prudent management, quarterly financial reports would be prepared by CICTA for review. CICTA would also work out a long-term and sustainable implementation plan for maintenance of centre facilities.

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13.7 Any Other Business

Members noted that an internal auditor would be in place by June 2009 to conduct internal auditing activities for CIC and CICTA with a view of improving the operational efficiency and cost effectiveness of the establishment.

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There being no further business, the open-door session of the meeting adjourned at 3:30 pm.

*******End of the Open-door Session*******