

Construction Industry Council

Committee on Construction Business Development

Meeting No. 003/22 of the Committee on Construction Business Development (the “Com-CBD”) for 2022 was held on Thursday, 15 September 2022 at 2:30pm at the Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

Present	: Rocky POON	(LKP)	Chairperson
	Tony HO*	(HYK)	Prin AS (Works) 4 of Development Bureau
	Rayson WONG*	(RaW)	Ch Structural Engr (Development and Construction) of Housing Department
	CHAN Kim-kwong*	(KKCN)	
	Calvin CHAN*	(CaC)	
	Marvin CHEN*	(MCh)	
	Ivan FU*	(FI)	
	Conrad FUNG	(KKF)	
	Thomas HO	(KnH)	
	Louis LEE	(LMHL)	
	Ricky LEUNG*	(RyL)	
	Eddy TSANG*	(TPC)	
	WONG Ka-lung*	(KLWg)	
	Simon WONG	(SWHW)	
	Andrew YOUNG	(AYMC)	
In Attendance	: Thomas HO	(TH)	Chairman
	Albert CHENG	(CTN)	Executive Director
	Jim MO*	(HTY)	AS (Works Policies 4) 4 of Development Bureau
	Raymond AU*	(RA)	Representative of Mr. J Scott MACKENZIE
	Thomas TONG	(TT)	Assistant Director – Industry Development
	Timothy LEUNG	(TLG)	Senior Manager – Construction Business Development
	James WONG*	(JsW)	Senior Manager – Construction Productivity (only for item 3.3)

	Eric JIANG	(EJ)	Manager – Mainland Liaison Services
	Hilda WONG	(HiW)	Manager – Construction Business Development
	Helena LAU*	(HLU)	Assistant Manager – Construction Business Development
	Eliz YIP	(EYP)	Assistant Manager – Construction Business Development
	Mandy FUNG	(FCM)	Senior Officer – Construction Business Development
	Liza LI*	(LaL)	Senior Officer – Mainland Liaison Services
Apologies	: CHEUNG Man-tim	(MTC)	
	J Scott MACKENZIE	(JSM)	

* attended the meeting online via Microsoft Teams

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Prior to the commencement of the Meeting, LKP reminded Members to declare any potential or actual conflict of interest with item(s) to be discussed at the meeting. No declaration was received during the meeting.

3.1 Confirmation of the Minutes of Meeting No. 002/22

Members took note of the paper CIC/CBD/M/002/22 and confirmed the minutes of Meeting No. 002/22.

3.2 Matters Arising from the Last Meeting

Following item 2.6 from the previous meeting regarding the progress update on Task Force on Greater Bay Area, it was reported under agenda item 3.5.

3.3 ★ Reappointment of Chairperson and Members of Task Force on Construction Expenditure Forecast

Members took note of paper *CIC/CBD/P/005/22* and approved to re-appoint the Chairperson Ms. Rita CHUNG to lead the Task Force on Construction Expenditure Forecast (TF-CEF) and corresponding member organisations for a term of two years starting from 1 October 2022. Invitation would be sent to the

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member organisations to nominate representatives for the TF-CEF.

[JsW left the meeting at this juncture.]

3.4 Final Report of Study on Strategic Review for Uplifting Construction Capacity

LKP updated Members on the progress of the Task Force. Upon the approval of the Draft Report by the Task Force on 24 March 2022, an industry-wide stakeholder engagement session was held on 5 August 2022. Feedbacks on findings and potential initiatives collected from the engagement session were considered and incorporated into the Final Report.

The Final Report was endorsed by the Task Force on 30 August 2022 with minor comments. A revised Final Report was submitted on 8 September 2022 for Com-CBD's endorsement.

Representatives from Arcadis Consultancy Hong Kong Limited (Arcadis) briefed Members on the Final Report.

KnH considered that the findings from the Final Report were superficial and expected the recommendations to be in a more in-depth manner.

Arcadis clarified that the Study focused on the identification of issues and directions of the initiatives for industry considerations, and agreed that a more detailed study on specific recommendations would be necessary.

HYK considered that within the limited period, the Study had adequately explored the key areas and directions, and agreed that a detailed study on the agreed initiatives would be necessary.

RyL enquired about the importation of non-local labour.

LKP responded that the labour shortage was serious, and commented in the long run, boosting the labour supply through training and development for local labour would be the key focus in order to alleviate the manpower shortage problem in Hong Kong. While remaining open to the idea of the importation of non-local labour as a short term measure, it was considered worthy of further review and consideration on the captioned method, taking into account Government's latest policy on labour importation.

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TH enquired the methodology in prioritising the proposed initiatives and Arcadis responded that timing and government policies are the main factors in considering the sequence.

TH and LKP advised that the importance/urgency of the proposed initiatives should also be considered as one of the main factors in sequencing.

LKP suggested Arcadis to collect Members' comments after the meeting and review on further revision on the Final Report.

Arcadis

3.5 Progress Update on Task Force on Greater Bay Area

FI briefed Members on the progress of the Task Force. In the past few months, CIC had been working on the renovation works for Mainland Liaison Office (the "Office") in Guangdong and the Signature Course on National Affairs for the Construction Young Persons (the "Signature Course").

EJ reported that the renovation works had been completed on 5 September 2022.

TH enquired when the registration would be completed so that the Office operation could be started. EJ responded full set of application documents had been submitted by June 2022 and were under review by the Ministry of Housing and Urban-Rural Development at the moment. FI suggested DEVB to support in expediting the registration process in connecting with the Ministry of Housing and Urban-Rural Development.

EJ reported the progress of the Signature Course. The first course and opening ceremony would commence on 22 September 2022.

TH highlighted the importance of such course to be regularised. Members echoed the idea and advised similar courses would be scheduled in the long run, depending on the feedback and evaluation of the first course, as well as the cooperation with organising/co-organising or partnering parties such as Tsinghua University and the Liaison Office of the Central People's Government. HYK suggested to work out a year plan to provide an overview of the courses to be scheduled, to facilitate effective planning and implementation.

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TH also drew attention to the opportunity of making use of the new CIC Guangzhou Office to implement measures conducive to the flow of construction talents to alleviate the manpower shortage problem in Hong Kong.

3.6 Any Other Business

TLG briefed Members on the latest development of the security of payment legislation (SOPL). The reference timeline was introduced and it was estimated that the Bill would be passed by the Legislative Council and become effective by 2025.

TH commented the urgency of tackling the cash flow issue in the industry. LKP responded whilst the timing of when the SOPL may be enacted remains unclear, it was agreed that through the implementation of the security of payment provisions (SOPP) in public works contracts, the local construction industry would have an early taste of the changes that the future SOPL may bring about on the contractors and sub-contractors of all tiers. DEVB would, in collaboration with CIC, to introduce SOPP to quasi-governmental organisations such as AA, MTRC, URA, REDA, etc.

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TLG briefed Members on the latest development of the temporary land allocation (TLA), with the site readiness timeline, proposed leasing conditions and selection criteria introduced.

TH enquired the screening and endorsement procedure and whether the enabling work of the land had been started. LKP responded the screening and endorsement procedure would be handled by individual trade associations. KKF, on behalf of Hong Kong Construction Association (HKCA), responded that they would try to shorten the time of enabling work to 10 days. LKP mentioned CIC would also speed up the tendering preparation work in parallel with the same target timeframe.

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TH raised out the need to conduct market study on the effectiveness of adoption of New Engineering Contract (NEC), since its introduction to Hong Kong. HYK responded a survey could be conducted to collect views from industry stakeholders and to comment on NEC adoption and effectiveness. He also suggested the results to be presented at the upcoming Com-CBD meeting to be held on 7 December 2022.

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3.7 Next Meeting

The next meeting was scheduled for 7 December 2022 (Wednesday) at 2:30pm at Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay. **All to Note**

There being no other business, the meeting was adjourned at 4:30pm.

**CIC Secretariat
September 2022**