

Construction Industry Council

Meeting No. 003/12 of the Construction Industry Council for 2012 was held on Friday, 22 June 2012 at 2:30pm 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 | (AC) | |
| | | Siu-hung CHAN | (SHC) | |
| | | Hau-wai CHEUNG | (HWC) | |
| | | Paul CHONG | (PC) | |
| | | Thomas HO | (TH) | |
| | | Jan-ming KO | (JMK) | |
| | | James KWAN | (JK) | |
| | | Wo-hei LAM | (WHL) | |
| | | Christopher LEUNG | (KYL) | |
| | | Tak-ching MAK | (TCM) | |
| | | Lawrence NG | (LN) | |
| | | Kevin POOLE | (KP) | |
| | | Bay WONG | (ByW) | |
| | | Billy WONG | (BW) | |
| | | Conrad WONG | (CW) | |
| | | Mike WONG | (MW) | |
| | | Chi-sing WAI | (CSW) | Permanent Secretary for Development (Works) |
| | | Choi-kai AU | (CKA) | Director of Buildings |
| In Attendance | : | Charmaine WONG | (HWW) | Development Bureau |
| | | Iris CHAN | (IsC) | Hong Kong Housing Authority |
| | | Christopher TO | (CT) | Executive Director |
| | | Charles WONG | (CWG) | Director – Training and Development |
| | | Ivan WONG | (IW) | Senior Manager - Council Services |
| Apologies | | Teresa CHENG | (TC) | |
| | | Tai-chong CHEW | (TCC) | |
| | | Luen-kiu CHOW | (LKC) | |
| | | Koon-sun WAN | (KSW) | |
| | | Wai-wai YU | (WWY) | |
| | | Ada FUNG | (AF) | for Permanent Secretary for Transport and Housing (Housing) |

MINUTES

Open-door Session
Agenda Item

Action

[The open-door session of the meeting started at 4pm]

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

Members referred to Paper CIC/CMT/M/002/12 and approved the minutes of the open-door session of the 2nd meeting for 2012 held on Friday, 27 April 2012 at Meeting Room 1, Construction Industry Council Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong.

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

2.13 Any Other Business

Reported by CT, the suggestion from a Member to enhance the employee benefits by offering individual life insurance to frontline workers would be discussed at the upcoming meeting of Strategic Planning Steering Committee on 11 July 2012.

3.9 2nd Meeting of Committee on Procurement for 2012

Members referred to Paper CIC/CMT/P/030/12.

The following issues were highlighted:

- Item 2.3 – Competition Bill was passed its third and final reading at the Legislative Council meeting held on 14 June 2012.
- Item 2.4 – A speaker was invited to the meeting of the Task Force on NEC3 Collaborative Contracts to share his experience and highlight the key advantages and disadvantages and the measures that would be required to make NEC work in Hong Kong.
- Item 2.5 – The drafting of the Guidelines on the Selection of Consultants was in progress. The drafting of the Guidelines on the Selection of Contractors would commence upon finalising the draft Guidelines on the Selection of Consultants. Com-PCM accepted the request made by the Chartered Institute of Building (CIOB) for their Council Member, Mr. LAM Wai-Choi, to join the Task Force on the Selection of Consultants and Contractors.
- Item 2.6 – A new Task Force on Review of Employer-Procured

Open-door Session

Action

Agenda Item

- Insurance Policies of Construction Contracts would be formed.
- Item 2.7 – Members of Com-PCM had reviewed and accepted the procurement fact sheet template and sample. A new working group would be set up to gather relevant topics and prepare fact sheets.
 - Item 2.8 – DEVB presented its consultation paper on “Proposed Procurement Approach to Promote Innovation and Creativity in the Delivery of Public Works Projects” to Com-PCM.
 - Item 2.9 (a) – The Real Estate Developers Association of Hong Kong (REDA) had no nomination for Co-opted Member of Com-PCM. Mr. Peter Cheng of New World China Land Limited would be invited to join Com-PCM as a Co-opted Member.
 - Item 2.9 (b) – On Hong Kong General Building Contractors Association (HKGBCA)’s initiative to join the Committee, Com-PCM considered that it would be more appropriate to have representative(s) from HKGBCA to join and contribute in the task forces of the Com-PCM. Currently, a representative of HKGBCA was one of the Members of the Task Force on Competition Law.
 - Item 2.11 (b) – TCC and the Chairmen of the Task Force on NEC, Task Force on Selection of Consultants and Contractors and a representative from CIC Secretariat would attend the brainstorming workshop on procurement to be organised by DEVB on 3 July 2012.

3.10 **2nd Meeting of Committee on Subcontracting for 2012**

Members referred to Paper CIC/CMT/P/027/12.

The following issues were highlighted:

- Item 2.2 – A poster would be produced as a guide to remind workers to state actual salaries in their contracts to protect their statutory rights and/or compensation.
- Item 2.3 – Members were requested to note the proposed nomination of Co-opted Members from February 2012 to January 2014 in Annex A on page C212.
- Item 2.4 – The new membership of the Management Committee of VSRS was endorsed and would be effective in mid July 2012.
- Item 2.5 – A consultation meeting on the proposed dispute resolution mechanism and the corresponding rules had been scheduled for 5 July 2012. The report would be finalised after the formal consultation and would be submitted to Com-SBC for comments.
- Item 2.6 – Upon receiving the initial comments from REDA and

Open-door Session

Action

Agenda Item

DEVB on security of payment legislation, a position paper would be prepared with reference to the comments received earlier from key stakeholders. The paper would be submitted to Com-SBC for deliberation with the view of deciding the way forward.

CSW updated Members that the Secretary for Development at a meeting agreed in principle to introduce security of payment legislation. The process of enactment would fall within the purview of Development Bureau during the next term of government. A task force would be set up by DEVB to:

- review the major policy areas to be implemented by authorities in different jurisdictions such as “pay when/if paid” provisions, contractors’ right to stop work for lack of payment and mandatory use of adjudication;
- design an operating mechanism to be implemented in public sector and selected private works projects on trial basis; and
- identify the issues and intended scope of the proposed legislation.

As a basis for the government to consider developing security of payment legislation, the Task Force on Security of Payment Legislation was urged to submit a position paper to Com-SBC and then to the Council to present the task force’s position or viewpoint on the legislation.

- Item 2.8 – Renamed the scheme to “Subcontractor Registration Scheme” in the stage 2 implementation of VSRS, the proposed enhancement of rules and procedures, which would be launched in January 2013, was endorsed.
- Item 2.9 – A letter had been sent to all subcontractors registered under VSRS to raise their awareness on the regulatory actions taken by the Management Committee against convictions in relation to serious or fatal construction site accidents.

3.11 **2nd Meeting of Construction Industry Training Board for 2012**

Members referred to Paper CIC/CMT/P/028/12.

The following issues were highlighted:

- Due to substantial overlapping issues and members in both CITB and Com-MTD, BW proposed organising joint meetings in the future. The two committees might be merged into one in future after the amendment of the CIC Ordinance.

Open-door Session

Action

Agenda Item

- Item 2.2 (i) – CITB supported in principle the proposed amendments to the Phase 2 prohibition of the Construction Workers Registration Ordinance.
- Item 2.2(ii) – Members were briefed on the manpower shortage in lift mechanics and measures to tackle manpower shortage in E&M sector. More details could be found on pages C213 and C214. BW commented on the relatively low salary offer for E&M workers and apprentices as compared with those engaged in other trades. A Member advised that HKFEMC would submit a proposal suggesting the government to extend the Enhanced Construction Manpower Training Scheme (ECMTS)/ Build Up Scheme to the E&M sector. A proposal would be sent to CIC for deliberation in due course. In response to some comments on ECMTS/Build Up Scheme, CITB would review whether the current scheme might have negative effect on the wages of other trades.
- Item 2.3 – The increments of monthly trainee allowance and site practice allowance were endorsed to ensure that they would be in line with inflationary levels as they currently stood.
- Item 2.4 – The Secretariat was requested to review the training capacity and admission rate of part-time courses for 2011-2012 and propose the part-time training capacity for 2012-2013 training year.
- Item 2.5 – The proposal for organising Vocational Cantonese Course for ethnic minorities was endorsed.
- Item 2.7 – The proposal for dividing Bricklaying, Plastering and Tiling course into two separate courses – “Bricklaying and Plastering” and “Bricklaying and Tiling” courses was endorsed.
- Item 2.9 – In connection with the additional funding of \$220M for the ECMTS from government, the proposal for increasing the training allowance and graduation incentive allowance under the ECMTS was endorsed.
- Item 2.11 – The proposal for free intermediate trade tests and trade tests for registered general workers who would register for the tests within the three-month period from June to August 2012 was endorsed.
- Item 2.13 – The event proposal for 2012 construction skills masters cum new talent competition was endorsed. The event would be held in November 2012 at ZCB.

CITB

3.12 **2nd Meeting of Committee on Manpower Training and Development for 2012**

Open-door Session
Agenda Item

Action

Members referred to Paper CIC/CMT/P/029/12.

The following issues were highlighted:

- The generic definition and scope of duties of site supervision personnel were endorsed. Given the growing importance of this issue, Chairman suggested that this item should be brought up for discussion at the next Council Meeting.
- Item 2.6 – After reviewing the initial update of manpower forecasts from 2012 – 2016 and proposing a number of follow-up actions, Com-MTD would consolidate Members’ comments and submit such together with the report for CIC’s consideration.

Com-MTD

[PC left the meeting at this juncture.]

3.13 Any Other Business

Nil.

3.14 Tentative Date of Next Meeting 003/12

The next meeting was scheduled for 31 August 2012 (Friday) at 2:30pm at Meeting Room 1, Construction Industry Council Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong.

All to note

There being no further business, the open-door session of the meeting was adjourned at 4:45pm.

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