

**Construction Industry Council**

**Committee on Subcontracting**

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The 4<sup>th</sup> Meeting of the Committee on Subcontracting for 2009 was held on Wednesday, 15 July 2009 at 2:30 pm at Hong Kong Construction Association, 16/F, 180-182 Hennessy Road, Wanchai, Hong Kong

Present:	Shing-see LEE	(SSL)	Chairman
	Tat-tong CHEUNG	(TTC)	
	James CHIU	(JC)	
	Chun-wa CHOI	(CWC)	
	Chun-yuen TSE	(CYT)	
	Koon-sun WAN	(KSW)	
	Conrad WONG	(CW)	
	Paul CHONG	(PC)	The Hong Kong Federation of Electrical and Mechanical Contractors
	C S SO	(CSS)	Henderson Land Development Co. Ltd.
	Sing-lam WONG	(SLW)	Contractor's Authorized Signatory Association
	Michael HUI	(MH)	Development Bureau
	Sonia YUNG	(SY)	Housing Department
	Sing-hin TSO	(SHT)	Labour Department
	Chi-keung FUNG	(CKF)	Water Supplies Department
Kenny FOK	(KF)	Independent Commission Against Corruption	
In Attendance:	Christopher TO	(CT)	Executive Director
	Ivan WONG	(IW)	Senior Manager (Council Services) 2
	Yvonne MAK	(YM)	Manager (Council Services) 4
Apologies:	Stanley HUI	(SH)	
	Edgar Kwan	(EK)	
	Wai-wai Yu	(WWY)	
	Ada FUNG	(AF)	for Permanent Secretary for Transport and Housing (Housing)
	Tak-hing CHEUNG	(THC)	Construction Site Workers Union
	Bernard HUI	(BH)	The Hong Kong Institute of Architects
	Siu-wai HUI	(SWH)	Buildings Department
	Chi-hung LAI	(CHL)	Hong Kong Construction Industry Employees' General Union
	Wai-tai LAW	(WTL)	Hong Kong Construction Association
	Joseph NG	(JN)	Hong Kong General Building Contractors Association

Lawrence NG	(LN)	Hong Kong Marble and Granite Merchants Association
Hung-yuen YAU	(HYY)	Association of Electrical Contractors

## **PROGRESS REPORT**

### **Action**

#### **4.1 Confirmation of the Progress Report of the Previous Meeting**

Members took note of Paper CIC/SBC/R/003/09 and confirmed the progress report of the 3<sup>rd</sup> meeting held on 20 May 2009.

#### **4.2 Matters Arising from the Previous Meeting**

##### **4.2.1 Guidelines on Dispute Resolution**

The subject was discussed under Agenda item 4.3

##### **4.2.2 Security of Payment – a simple information pack**

The document was revised per Members' comments suggested at last meeting. The revised copy had been provided to Members for record which is also attached to this paper for internal reference.

##### **4.2.3 Guidelines on Measures for Protection of Workers' Entitlement to Wage Payment**

The subject was discussed under Agenda item 4.4

##### **4.2.4 Update on Takeover of the Voluntary Subcontractor Registration Scheme**

A paper on the financial arrangement for the takeover would be submitted to the Committee on Administration and Finance for consideration and approval.

##### **4.2.5 Status Update on Work Plan**

The subject was discussed under Agenda item 4.8

#### **4.3 Guidelines on Dispute Resolution**

Members took note of the Paper CIC/SBC/P/015/09 and discussed

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the comments provided by the Hong Kong Institute of Surveyor (HKIS). In response to the comments of the HKIS, Members agreed to change the title of the Guideline by deleting “Security of Payment” to properly reflect the main subject of the Guidelines. Members suggested defining clearly in the Guidelines the role of the Independent Expert Certifier which should only be involved at the time of disagreement or disputes, but not replacing the role of Architect / Engineer / QS in daily certification process. Members also suggested revisiting the Guidelines to ensure the roles of other proposed entities involved in dispute resolutions being clearly defined. The Secretariat would revise the Guideline per Members’ comments before submitting to the Council.

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*[PMN: the revised Guidelines were circulated to Members on 20 July 2009 for further comments and are attached to this Paper.]*

**4.4 Protection of Workers’ Entitlement to Wage Payment**

Members took note of the Paper CIC/SBC/P/016/09 and discussed the comments provided by Hong Kong Federation of Electrical and Mechanical Contractors (HKFEMC). After considering carefully the feasibility in actual implementation of the measures in private sector projects, Members agreed to amend or clarify a number of clauses in the Guidelines. Measures related to biometric authentication and MPF were considered not appropriate to be incorporated in the Guidelines and would be taken out as suggested by Members at the meeting. The Secretariat would revise the Guidelines according to Members’ comments and submit to the Council for discussion.

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*[PMN: the revised Guidelines were circulated to Members on 20 July 2009 for further comments and the final version is attached to this Paper.]*

**4.5 Update on the Progress of Survey of Problems of Outstanding Payments in Construction Supply Chain**

Members took note of the Paper CIC/SBC/P/017/09. According to the updated project schedule, questionnaires would be sent out to target respondents in around mid August. A mailing list was being compiled by the Secretariat who would seek assistance of the Development Bureau and Buildings Department for providing

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mailing addresses of their respective registered contractors as well as other organizations as stated in the paper for distribution of the questionnaires.

**4.6 Security of Payment Legislation- references to other jurisdictions**

Members took note of the Paper CIC/SBC/P/018/09. Members acknowledged the brief introduction of the security of payment legislations in the United Kingdom, Australia and Singapore which could be references in future consideration of the necessity of similar legislation in Hong Kong.

**4.7 VSRS- Rules and Procedures**

Members took note of the Paper CIC/SBC/P/019/09 and agreed with the recommendation made by the Appeal Panel. The Secretariat would work with the CIC's legal advisor to carry out a comprehensive review on the "Rules and Regulations" taking into accounts of the Appeal Panel's recommendation and the requirements of VSRS stage 2 if any. Members would receive updated progress in due course.

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**4.8 Status Update of Work Plan**

Members took note of the Paper CIC/SBC/P/020/09. Chairman invited Members to bring up any new items for consideration by the Committee.

**All**

*[PMN: the updated work plan is attached at Annex A to this Paper.]*

**4.7 Any Other Business**

Nil.

**4.8 Tentative Date of Next Meeting for 2009**

8 September 2009 (Tuesday) at 2:30 pm at Room 1201, Murray Building, Central

**All to note**

There being no further business, the meeting adjourned at 4:50 pm.