

**LEGISLATIVE COUNCIL PANEL ON
PLANNING, LANDS AND WORKS**

CONSTRUCTION WORKERS REGISTRATION BILL

PURPOSE

The purpose of this paper is to inform Members of the proposal to implement by legislation a mandatory registration system for the site workers in the construction industry.

THE PROBLEM

2. The lack of a registration system to assess and certify the skill levels of construction workers has long been a concern among the construction industry over the quality of construction works. Moreover, the lack of reliable data on the number, trade and skill level of construction workers poses difficulties for manpower planning and training by the Government. Recently, there is growing concern about the employment of illegal workers on construction sites in addition to the increasing number of wage disputes between contractors and workers.

BACKGROUND

3. In response to requests from the construction industry about the need of a registration system for construction workers, the then Construction Advisory Board (CAB) decided in July 1999 to set up a Working Group on Registration of Construction Workers (the Working Group), which comprised stakeholders of the construction industry, to study the proposal for implementing a workers registration system.

4. The Working Group concluded and recommended to the then CAB that given the merits of a mandatory registration system for construction workers, it should be implemented by way of legislation.

5. The Construction Industry Review Committee (CIRC) also recommended in its Report issued in January 2001 that a worker registration system should be implemented as soon as possible.

6. Subsequent to endorsement of the proposal by the Chief Secretary for Administration's Committee on Lands, Works, Transport, Housing and Environment Protection Policy Group and the Executive Council in March 2001 and June 2001 respectively, the Administration embarked on the development of the proposed Registration System by further consulting the views of the industry.

THE PROPOSAL

7 The proposed Registration System is set out in the following paragraphs.

(a) Coverage

It is targeted at the majority of construction site workers engage in new construction site works and in major addition, alteration, improvement and term maintenance works. The classification and interpretation of the principal trades to be covered by the registration are essentially based on the booklet "Unified Job Titles and Descriptions of Tradesman and Semi-skilled Workers/General Worker for the Construction Industry" published by the then Works Bureau in 1997. Pending the introduction of a levy on construction-related Electrical and Mechanical (E&M) works to support the expansion of E&M training and trade testing to meet the registration requirement, only workers of the building and civil engineering discipline would be registered initially.

(b) Categories of Skill Level

Based on the categorization of skill levels of workers widely accepted by the construction industry, workers will be registered for individual trade under one of the three categories according to their skill levels as a skilled worker or a semi-skilled worker, or as a general worker. Skilled and semi-skilled workers are required to pass the relevant trade tests and intermediate trade tests respectively conducted by the Construction Industry Training Authority (CITA) and the Vocational Training Council (VTC), or possess other equivalent qualification eligible for registration. General worker is only required to possess simple job-related skills.

(c) Renewal

The registration will be renewed once every three years. Unless specified in the relevant ordinances, workers are not required to attend trade test for renewal. Before applying for renewal, the workers are required to complete prescribed short continuous development courses.

(d) Transitional Arrangements

Workers with not less than six years or two years experience in the construction industry could apply for registration as skilled worker (provisional) or semi-skilled worker (provisional) respectively. A transitional period of three years is allowed for these workers to pass the respective trade tests to register as skilled or semi-skilled worker.

(e) Exemption

Workers with ten years or more experience in the construction industry but without a trade test certificate or equivalent could, subject to passing an assessment interview, be registered as skilled workers.

(f) Enforcement

This will be similar to that of the mandatory basic safety training certificate as provided under the Factories and Industrial Undertakings Ordinance (Cap. 59). Each worker shall only perform the kind of work he is allowed to do under his registration and shall carry his smart registration card for

working on construction site. The employers shall ensure that the workers employed by them for carrying out construction works on site possess a valid registration . An enforcement team will be established to perform random compliance checks.

(g) Registration Authority

A statutory Registration Authority will be established to administer the registration ordinance and oversee the registration of workers. If the powers and functions of the Registration Authority are to be transferred to the proposed Industry Co-ordinating Body (ICB) in future as recommended by the CIRC, amendments to the legislation for the proposed Registration System would be required.

(h) Registrar

A Registrar will be appointed to carry out the day-to-day registration and related works. As CITA has been conducting the majority of the trade tests and training for the construction industry, it is considered to be the most suitable organization to act as the Registrar. This is in line with the CIRC's recommendation that CITA would in future work under the direction and guidance of the ICB.

(i) Complaint Mechanism

A mechanism will be included to handle any complaints about the level of competency of registered workers. Depending on the severity of the deficiency, the Registration Authority may order the award of an appropriate sanction. Review and appeal systems will be included in the proposed Registration System to handle any grievances that the workers may have against the decisions of the Registrar or the Registration Authority.

(j) Funding

There will be no recurrent financial implications for the Government. The proposed system will be supported by a small registration fee and renewal fee which the workers can afford.

The balance of the operating costs is to be met by a proposed levy collected from the construction industry. Based on the current annual gross value of construction site works, we estimated that the rate of levy would be around 0.03% of the value of the construction works.

(k) E&M Levy

The Construction Industry Training Authority (CITA) will need to expand the scope of its trade testing and training provisions for civil engineering and building workers, and for electrical and mechanical (E&M) workers with the proposed Registration System. The expenditure arising from the provision of the additional trade testing and training for civil engineering and building workers will be met by the existing construction levy. However, new resources will be required to provide additional trade testing and training for E&M workers and these will be met by the proposed levy on E&M works through amendments to the Industrial Training (Construction Industry) Ordinance (Cap. 317). The Education and Manpower Bureau aims to introduce the amendment bill into the LegCo in the first quarter of 2003.

(l) Registration of E&M Workers

Given the requisite training and trade testing provisions would not be ready by the end of 2003, the registration of E&M workers would commence on a separate date.

ENVISAGED BENEFITS OF THE PROPOSAL

8. Since skill levels of skilled worker and semi-skilled worker will be assessed and certified based on trade test results or other qualifications acceptable to the Registration Authority, the registration requirement will not only ensure the quality of work but, will also raise the status of the construction workers and will foster a quality culture in the construction industry.

9. Apart from the availability of more reliable manpower data from the register of the proposed Registration System for manpower planning and training, the smart card system installed at construction sites will help combat hiring of illegal workers working on construction sites.

10. The site entry and exit records of each worker logged by the smart card system might also help eliminate some of the wage disputes between the contractors and the workers.

PUBLIC CONSULTATION

11. Representatives from the relevant Government bureaux/departments, trade associations, training institutes, ICAC, major employers of the construction industry as well as the two major trade unions of the construction industry i.e. the Hong Kong Construction Industry Employees General Union and the Hong Kong and Kowloon Electrical Engineering and Appliances Trade Workers Union have been fully consulted through the Working Group and Sub-group on the Registration of Construction Workers since July 1999.

12. To alleviate the burden of workers in paying various fees for working on site, a construction levy as stipulated in paragraph 7(j) above is proposed. This would keep the registration/renewal fees at a level which the workers could afford. For workers possessing other related and recognized certificates/licences such as certificates for registered electrical workers and gas installers, the fees would be further reduced.

13. The proposal of imposing a levy to fund the proposed Registration System is supported by major stakeholders of the construction industry including the relevant trade associations, trade unions and training institutes.

THE TIMETABLE

14. Drafting of the legislation is now being finalized. We aim to introduce the draft Bill into the LegCo before the end of 2002.

FURTHER STUDIES

15. As a longer-term objective, it is planned to carry out further studies, based on the experience gained in implementing the first stage of registration, to consider similar registration systems for decorative and minor maintenance workers, as well as other non-professional personnel such as site supervisory staff in the construction industry.

Environment, Transport and Works Bureau
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