

立法會
Legislative Council

LC Paper No. CB(1)2217/04-05
(These minutes have been seen
by the Administration)

Ref : CB1/BC/1/04/2

Bills Committee on Construction Industry Council (No. 2) Bill

**Minutes of thirteenth meeting held on
Wednesday, 20 July 2005, at 2:30 pm
in Conference Room A of the Legislative Council Building**

- Members present** : Hon KWONG Chi-kin (Chairman)
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHAN Yuen-han, JP
Hon Emily LAU Wai-hing, JP
Hon LI Fung-ying, BBS, JP
Hon WONG Kwok-hing, MH
Hon Patrick LAU Sau-shing, SBS, JP
- Members absent** : Hon Howard YOUNG, SBS, JP
Hon Andrew CHENG Kar-foo
Hon Abraham SHEK Lai-him, JP
Hon Alan LEONG Kah-kit, SC
Hon CHEUNG Hok-ming, SBS, JP
- Public officers attending** : Mr Clement CHEUNG
Deputy Secretary for the Environment, Transport and
Works (Works) 1
- Ms Agnes KWAN
Assistant Secretary for the Environment, Transport and
Works (Industry Review)
- Ms Frances HUI
Senior Government Counsel
Department of Justice

Ms Selina LAU
Government Counsel
Department of Justice

Clerk in attendance : Miss Odelia LEUNG
Chief Council Secretary (1)4

Staff in attendance : Miss Kitty CHENG
Assistant Legal Adviser 5

Ms Sarah YUEN
Senior Council Secretary (1)6

Action

I Meeting with the Administration

(LC Paper No. CB(1)2094/04-05(01) -- List of follow-up actions arising from discussion at the meeting on 14 July 2005

LC Paper No. CB(1)2094/04-05(02) -- Administration's response to the list of follow-up actions arising from discussion at the meeting on 14 July 2005

LC Paper No. CB(1)2094/04-05(03) -- Administration's response to the letter from Hon CHEUNG Man-kwong referring to the Bills Committee concerns of the staff association of CITA about staff cut and reduced classes)

The Bills Committee deliberated (Index of proceedings attached at the **Appendix**).

Follow-up actions by the Administration

- Admin 2. The Administration was requested to provide –
- (a) an annual breakdown of value of construction works by the public and private sectors from 2002 to 2004 which were subject to levy;
 - (b) an annual breakdown of the levy income from public and private construction works from 2002 to 2004;
 - (c) supplementary information on the salary structure of Construction

Industry Training Authority (CITA) including the remuneration package for senior staff; and

- (d) information on the measures taken by CITA to enhance enrolment of students.

Follow-up action by the Assistant Legal Adviser

- ALA 3. Members also requested the Assistant Legal Adviser to provide for the Bills Committee's reference the relevant provisions of the Town Planning Ordinance (Cap. 131) on meeting arrangements.

II Any other business

4. Members agreed to schedule the next three meetings of the Bills Committee as follows –

Date and time

14th meeting:	3 October 2005 (Monday) from 10:45 am to 12:45 pm
15th meeting:	10 October 2005 (Monday) from 2:30 pm to 4:30 pm
16th meeting:	25 October 2005 (Tuesday) from 10:45 am to 12:45 pm

5. They also agreed to discuss the following at the fourteenth meeting –
- (a) Meeting arrangement for Construction Industry Council; and
 - (b) Clause-by-clause examination of the Bill.
6. The meeting ended at 4:45 pm.

**Proceedings of the thirteenth meeting of the
Bills Committee on Construction Industry Council (No. 2) Bill
on Wednesday, 20 July 2005, at 2:30 pm
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 - 000312	Chairman	Opening remarks	
Discussion on the way forward			
000313 - 000457	Administration	Administration's report on the progress of its preparation of information on meeting arrangements for Construction Industry Council (CIC), and its initial thinking on members' request to clearly provide in law that meetings of CIC be open to the public	
000458 - 002319	Chairman Ms Emily LAU Mr Patrick LAU Ir Dr Raymond HO Mrs Selina CHOW Ms LI Fung-ying Administration	<p>A member's emphasis of the need to expedite scrutiny of the Bill, and to clearly provide in law that meetings of CIC be open to the public as in the case of the Town Planning Board (TPB), especially as not all sectors would be represented on CIC</p> <p>Administration's report that while it agreed in principle that meetings of CIC should be open to the public under suitable circumstances, it had to explore a proposal acceptable to major industry stakeholders who were aware of the Bills Committee (BC)'s preferences but inclined to avoid any restrictive stipulation written into statute</p> <p>Administration's advice in response to another member that the Provisional Construction Industry Co-ordination Board (PCICB) agreed that the transparency in operation of CIC could be enhanced by opening up its meetings to the public but considered that, as a self-regulatory body, CIC</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>should enjoy flexibility in working out its meeting arrangements</p> <p>Different views expressed by members as follows –</p> <ul style="list-style-type: none"> - it was desirable to clearly provide in law that meetings of CIC be open to the public - it would be acceptable to spell out the principle in the Bill that meetings of CIC be open to the public - the Liberal Party’s stance was that, while in principle CIC’s meetings should be open to the public, to provide scope for building of consensus, flexibility should be allowed for CIC to conduct closed meetings under certain circumstances. In this regard, PCICB’s views should be sought. Moreover, since TPB was very different from CIC, it might not be desirable for CIC to fully model on TPB’s meeting arrangements <p>The Chairman and some members’ indication of agreement that CIC should be allowed to conduct closed meetings under certain specified circumstances</p> <p>Administration’s agreement to seek PCICB’s views but pointed out that the major issue to be resolved was the extent of flexibility to be given to CIC in deciding how to open up its meetings</p> <p>Administration’s undertaking to provide for the BC’s consideration at the next meeting the draft of the</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>Committee Stage Amendments (CSAs) to the Bill concerning opening up CIC's meetings</p> <p>Discussion on the need for the BC to prepare CSAs on open meetings, and whether CIC's meeting arrangements should model on those of TPB</p>	
<p>Discussion on the Administration's responses to follow-up actions arising from discussions at the 12th meeting on 14 July 2005</p>			
<p>002320 – 004839</p>	<p>Chairman Mr LEE Cheuk-yan Administration</p>	<p>A member's reference to the Administration's response to the letter from Hon CHEUNG Man-kwong referring to the BC concerns of the staff association of CITA about staff cut and reduced classes (LC Paper No. CB(1)2094/04-05(03)), and expression of the following concerns –</p> <p>(a) CITA was deliberately holding back student enrolment efforts and closing training centres so as to justify class reduction and hence staff cut; and</p> <p>(b) Contrary to what was stated in the Administration's response, CITA was refusing to properly consult its staff to cope with changes in the operational environment. In particular, it had refused to regularly meet with its staff association and acknowledge its staff's right of collective bargaining.</p> <p>Administration's expression of the following points –</p> <p>(a) CITA would make various promotional efforts to maximize its student intake after the results of major public examinations were</p>	

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		<p>available;</p> <p>(b) To ensure cost-effectiveness, the number of training centres had to be adjusted according to the student intake. However, actual enrolments would not be restricted to the proposed training capacity but dictated by the number of applicants and attending students;</p> <p>(c) Since CITA's exit scheme would be voluntary, class reduction could serve little purpose in facilitating downsizing; and</p> <p>(d) The Administration was striving to facilitate an improved communication between CITA and its staff so as to obviate misunderstanding that would hamper the smooth operation.</p> <p>The member's comments that –</p> <ul style="list-style-type: none"> - the fewer the training centres, the more difficult it would be to enrol students; and - despite the great variety of course promotional efforts, it was the quantity that counted. 	<p>The Administration to take action under paragraph 2(d) of the minutes</p>
004840 – 010627	<p>Chairman Mr WONG Kwok-hing Ms Emily LAU Ms LI Fung-ying Administration</p>	<p>A member's comment that the information provided in the Administration's response to follow-up actions arising from discussions at the 12th meeting on 14 July 2005 (LC Paper No. CB(1)2094/04-05(02)) on CITA's salary structure should cover detailed remuneration packages including allowances enjoyed by its top management</p>	

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		<p>Administration's view that the information provided could give a clear understanding on staffing costs of CITA without unnecessarily trespassing on the privacy of individual staff members</p> <p>The member's emphasis on the need to have details on the remuneration package for CITA's management, especially the relevant components, to ensure it was not excessive</p> <p>Administration's view that the remuneration package for CITA's individual staff members should not be singled out for review during the scrutiny of the Bill. To address the concerns of members, supplementary information could be provided on the levels of remuneration for different categories of staff</p> <p>The Chairman's view that the requested information was related to the Bill because the BC had to ensure the financial viability of CITA after its transition to CIC, which might be affected if CITA's salary structure was unreasonable</p> <p>Another member's view that since CITA's financial position was sound, and that the Administration had already promised CITA's exit scheme would be voluntary, the BC should not further intervene in CITA's staff matters but should focus on scrutiny of the Bill</p> <p>Yet another member's view that the requested information was necessary for determining the fairness of the respective options of the contemplated exit scheme as reflected in the three different scenarios on the projected</p>	<p>The Administration to take action under paragraph 2(c) of the minutes</p>

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		<p>financial position of CITA from 2005 to 2010 (Annex B to LC Paper No. CB(1)2024/04-05(03))</p> <p>Administration’s clarification that the three scenarios were only projections provided at members’ request to show CITA’s financial position. Actual outcomes would hinge on CITA staff’s response to the proposed voluntary exit scheme</p>	
010628 - 012228	Miss CHAN Yuen-han Administration	<p>A member’s view that because of unpleasant past experience, some members could not trust the CITA management. She urged the Administration to more closely monitor the operation of CITA and other statutory bodies, and indicated intention to amend the Bill where necessary to prevent CITA management from abusing power</p> <p>Administration’s expression of the following points –</p> <p>(a) The present proposed hybrid model for the composition of CIC would be conducive to achieving a fair balance of different interests because the Administration would have a larger pool of candidates to select and appoint to CIC. Moreover, various major sectors of the industry would be represented in CIC;</p> <p>(b) The Administration recognized the need to review CITA’s organization structure and mode of operation. This exercise would be taken charge by CIC upon its amalgamation with CITA ;</p> <p>(c) The Administration aimed to</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>establish CIC early in response to the industry's request and to maintain stability pending CITA's transition to CIC;</p> <p>(d) The Administration was already actively engaged in handling concerns expressed by members in respect of the operation of CITA. The express undertaking that its exit scheme be voluntary was one such example; and</p> <p>(e) There was a need to consider carefully any proposed intervention in the management of CITA given its status as a statutory body vested with specific powers to handle the manpower and financial matters.</p>	
012229 - 015447	<p>Chairman Mr WONG Kwok-hing Mrs Selina CHOW Mr LEE Cheuk-yan Administration</p>	<p>Administration's provision of information on the actual enrolment to CITA's classes at a member's request, and its advice that the possibility of scheduling new classes was being explored, such as classes on site safety, aluminium window inspection and maintenance, etc. In principle, CITA would schedule classes in response to the industry's needs so as to maximize course enrolment and increase income</p> <p>The member's request of CITA to map out a proactive development plan for the future in response to the industry's needs</p> <p>Administration's expression that CITA should be in the process of mapping out a development plan for the longer term</p> <p>Another member's view that if the BC could not trust the CITA management,</p>	

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		<p>it might be more desirable to replace them while guaranteeing the other CITA staff continued employment without any changes to the employment terms within a certain period of time after CITA's transition to CIC</p> <p>Administration's advice of the following as discussed at a recent meeting of PCICB –</p> <ul style="list-style-type: none">(a) CITA should continue its function of training up suitable talents for the industry;(b) As CITA's financial position would not face any immediate problem, large-scale staff retrenchment measures were not considered necessary by the industry. Nor should it be the sole approach pursued to solve the problem in the longer term;(c) CITA should adjust its role in response to the education reforms presently under way and other challenges posed by changing circumstances in the industry with an objective to enhance its competitiveness ;(d) Stability should be maintained pending CITA's transition to CIC;(e) The present problems of CITA were related to not only the financial projections but also its positioning and operation mode. CIC should review CITA's operation and give advice to it upon the completion of the amalgamation exercise; and(f) To enhance flexibility in CITA's	

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		<p>staff establishment and organization set-up, a voluntary exit scheme for eligible employees should be introduced early.</p> <p>Administration's advice that the above points would be formally relayed to CITA and the relevant correspondence copied to the BC for information</p> <p>The other member's expression of concern about (f) above, and reiteration of the need to guarantee continued employment for CITA staff within a certain period of time</p> <p>Administration's explanation that since the proposed exit scheme would be voluntary, CITA's future financial position would hinge on staff response to that initiative. Pending the overall review of CITA after its transition to CIC, major changes to CITA's staff structure were not preferred</p> <p>A member's query of the figures presented in the breakdown of the value of construction works commenced in the public and private sectors from 2002 to 2004 and the estimated value from 2005 to 2010 (item (1) of LC Paper No. CB(1)2094/04-05(02))</p> <p>Administration's explanation that the estimated value of \$40 billion per annum for construction works commenced from 2005 to 2010 reflected a base-line scenario taken place in 2004. There was a significant drop in the number of works because of the economic downturn and the completion of major public works projects. The situation however should improve with the</p>	

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		<p>recovery of the economy. Moreover, even when a prudent estimate of \$40 billion was used in the projections, CITA's financial position would have no immediate problem</p> <p>The Chairman's comment that the information could show that CITA's financial position was sound. It had served its purpose</p> <p>Another member's comment that, to ascertain CITA's financial sustainability, an annual breakdown of value of construction works by the public and private sectors from 2002 to 2004 which were subject to levy should be provided</p> <p>Administration's undertaking to provide an annual breakdown of the levy income from public and private construction works from 2002 to 2004</p>	<p>The Administration to take action under paragraph 2(a) of the minutes</p> <p>The Administration to take action under paragraph 2(b) of the minutes</p>
015448 - 020724	Ir Dr Raymond HO Ms Emily LAU Administration	<p>A member's expression of the following views –</p> <p>(a) CITA's financial problem had been caused by inadequate public works projects;</p> <p>(b) The BC should not spend too much time on discussing CITA's staff matters;</p> <p>(c) Both engineers and architects hoped CIC could be established early;</p> <p>(d) It was difficult for Government to intervene in CITA's affairs because it was an autonomous body. The Administration was already doing its best to help CITA solve its problems despite the difficulties;</p>	

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		<p>(e) The Bill should not be amended in such a way as to restrict CIC's operation merely because some isolated incidents related to CITA had occurred recently; and</p> <p>(f) Open meetings had its merits.</p> <p>Another member's indication of agreement to (b) above, and her view that should the BC consider it necessary to examine if the CITA management should be replaced, the latter should be given the opportunity to state their case to the BC</p> <p>Administration's expression of the following points –</p> <p>(a) Continuous efforts would be made to ensure CITA was heading in the right direction; and</p> <p>(b) Upon the establishment of CIC and its amalgamation with CITA, a comprehensive review on the organization structure of the latter would be carried out.</p>	
020725 - 021129	Chairman Miss CHAN Yuen-han Ms Emily LAU Clerk	Meeting arrangements	ALA to take action under paragraph 3 of the minutes