

Summary of Concerns/Views Submitted by Organizations  
for the Meeting on 2 December 2004

Item No.	Issue/Clause	Organization	Concern/View	Administration's responses
1.	<p><b>Establishment of Construction Industry Council (CIC)</b></p> <p><i>Clause 4</i></p>	<p>CITA HKMGMA HKCSCA</p>	<p>Support the establishment of CIC</p>	<p>We will take active steps to expedite the establishment of CIC upon passage of the Bill.</p>
2.	<p><b>Composition of CIC</b></p> <p><i>Clause 9</i></p>	<p>CITA</p>	<p>Object appointment of members on individual capacity. Members of CIC other than public officers should be appointed from nominees by professional bodies and trade associations.</p>	<p>The merits and limitations of adopting a flexible model in the Bill with CIC members appointed on ad personam basis has been thoroughly deliberated by the Provisional Construction Industry Co-ordinating Board (PCICB) taking into account the views of professional bodies and trade associations. Nonetheless, we are prepared to formulate a set of consultation procedures and selection criteria to ensure a balanced representation of key stakeholder groups in CIC.</p>
		<p>HKCSCA</p>	<p>Support proposed composition of CIC and hope to be represented in CIC</p>	<p>We welcome support from the subcontracting trade on the proposed composition of CIC outlined in clause 9(3)(c) and take note of its request for representation in CIC.</p>

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		HKMGMA	Support representation of subcontractors in CIC	We will carefully examine the scope for an expanded representation of construction workers in CIC provided that a fair balance of all interests could be achieved.
		CSSA HKDTDA	Suggest to increase the number of members representing construction workers in CIC	
		MTDA	Suggest to increase the number of members representing construction workers in CIC to three	
3.	<p><b>Establishment and composition of Construction Industry Training Board (CITB)</b></p> <p><i>Clause 31 and Section 2 in Schedule 3</i></p>	CITA	Suggest that members of CITB be nominated by professional bodies and trade associations	Following the rationale set out in item (2) above and given the status of CITB as a major committee functioning under CIC, we agree with PCICB that a less restrictive model with candidates drawn from key sectors rather than nominated by professional bodies and trade associations should also be adopted for its composition.

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4.	<b>Continuance of employment</b>  <i>Clause 82</i>	CITA	Support continuance of employment of CITA staff by CIC	Clause 82 of the Bill already provides for the continued employment of all serving CITA staff with their terms and conditions preserved upon the amalgamation with CIC.
5.	<b>Funding matters and imposition of levy</b>	CITA	<p>Suggest the Administration to provide fund or an interest-free loan for the setting up of CIC. The levy collected under the Industry Training (Construction Industry) Ordinance (Cap.317) is for training and trade-testing and should not be deployed for other purposes.</p> <p>Need to work out financial arrangement early. Owing to the big drop in the value of construction operations subject to levy since 2002 and the expanded functions of CIC, the levy could not sustain the operation of CIC.</p>	<p>CIC is intended to be an umbrella organization set up by the industry, for the industry. To this end, the Construction Industry Review Committee advocated that existing levies should be deployed to fund the future operation of CIC. This approach has been accepted by the industry at large to be a feasible way forward.</p> <p>A preliminary estimate indicates that the secretariat of CIC will incur an annual staffing expenditure of only around HK\$4 million, representing about 1.5% of the projected operating expenditure of CITA in 2004. However, we are mindful of the long-term funding problem envisaged by CITA and will consider enhancing its access to information based on which construction levies could be collected more efficiently. Upon the establishment of CIC, an assessment may also be made on whether there is a case for adjustment of the levy rate in light of prevailing circumstances.</p>

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6.	<b>Provision of Information</b>  <i>Clause 61</i>	CITA	Relevant Government departments and utility companies should be required to provide information relating to electrical and mechanical (E&M) works in order that works subject to levy could be traced. A new Part 3 under Schedule 4 should be added for the purpose.	We are assisting CITA to collect the new levy on E&M works through administrative arrangements agreed with relevant regulatory authorities, government departments and trade associations.

**Submissions from Organizations**

<b>Name of Organization</b>	<b>Reference No.</b>
Hong Kong Construction Sub-Contractors Association (HKCSCA)	LC Paper No. CB(1) 306/04-05(01)
Hong Kong Marble & Granite Merchants Association (HKMGMA)	LC Paper No. CB(1) 306-04-05(02)
Construction Site Staff Association (CSSA)	LC Paper No. CB(1) 306/04-05(03)
Construction Industry Training Authority (CITA)	LC Paper No. CB(1) 306-04-05(04)
Mixer Truck Drivers Association (MTDA)	LC Paper No. CB(1) 306-04-05(05)
Hong Kong Dumper Truck Drivers Association (HKDTDA)	LC Paper No. CB(1) 306-04-05(06)