

Bills Committee on Construction Industry Council (No.2) Bill**List of Follow-up Actions Arising from Discussion
at the Meeting on 5 November 2004**

	Follow-up actions	The Administration's responses
(1)	To review the proposed composition of the Construction Industry Council (CIC) in clause 9.	<p>The composition of CIC as proposed in clause 9 has been carefully mapped out to provide a strong leadership shared by key stakeholders. This was advocated by the Construction Industry Review Committee (CIRC) and also endorsed by the Provisional Construction Industry Co-ordination Board (PCICB).</p> <p>On the notion of allowing professional bodies and major trade associations to nominate their own representatives, we concur with the view of PCICB that such a prescriptive approach would unduly restrict the pool of available candidates and could be divisive given the number of industry bodies eligible to make similar claims. A mixed model may aggravate the fragmentation and conflict between different sectors.</p> <p>Nonetheless, we agree that transparent consultation procedures and selection criteria are useful in ensuring acceptance of the appointments. For lay persons, the main rationale for their inclusion is to inject an independent perspective on strategic issues affecting not only the industry itself, but also the community as a whole. They will be chosen based on their professional background and</p>

		ability to contribute positively towards the deliberations of CIC.
(2)	To increase the number of representatives for construction workers in CIC from two to five.	Subject to the overriding principle that a balanced composition be maintained, we are prepared to consider expanding both the number and scope of representatives for construction workers in CIC.
(3)	To review the meaning of “employers” in clause 9(3)(a).	The term “employer” as defined in clause 2 refers to any person who engages another party to conduct construction operations, thus covering building developers in the private sector as well as client organizations in the public sector. This terminology has been applied consistently in the Industry Training (Construction Industry) Ordinance (Cap. 317) and is understood by the industry.
(4)	To make reference to the case of the Hong Kong Sports Development Board (SDB) in dealing with the employment matters of the Construction Industry Training Authority (CITA).	When SDB was disbanded in mid-2004, the staff side was offered re-employment by the Hong Kong Sports Institute at the same salaries and fringe benefits on two-year contract term. Our proposal to preserve the employment conditions and length of service for all serving staff in CITA without any requirement to switch to contract terms does not deviate from this arrangement.
(5)	To review the adequacy of the present drafting of clause 82 in reflecting the policy intention of protecting continued employment of staff of the CITA upon its dissolution.	In our view, clause 82(1) is already adequate in ensuring the continuity of employment for all serving staff of CITA upon its amalgamation with CIC but we will look into the feasibility of adopting the version suggested by Members.

(6)	To elaborate how the problems associated with management of subcontracting in the construction industry could be addressed upon the establishment of CIC.	We fully recognize that management of subcontracting is a source of rising public concerns and have been tackling this problem in close collaboration with PCICB through strengthened regulation and quality upgrading of subcontractors. The formation of CIC with statutory powers and funding will provide a clear mandate and an essential platform for the industry to take greater ownership of this problem.
(7)	To liaise with stakeholders with a view to agreeing on ways to resolve their concerns.	We maintain a constant dialogue with key industry stakeholders and have taken on board their feedback received during a consultation exercise on the draft legal framework of CIC conducted by PCICB. We will get in touch again with the relevant parties to resolve the issues raised by Members.
(8)	To provide a progress report on the work of the PCICB.	The progress report has been provided under a separate cover.