

**Bills Committee on Construction Industry Council (No. 2) Bill
Submission of the Hong Kong Construction Association (HKCA)**

Introduction

HKCA welcomes and supports the establishment of the Construction Industry Council (CIC). This statutory body will be a continuation of the Provisional Construction Industry Co-ordination Board to realize the vast reform programme for the industry recommended by the Construction Industry Review Committee. It will act as the main advocate on strategic and policy matters related to the industry and an important communication conduit between the Government and the industry. As such, satisfactory arrangement for the following issues is important to ensure these objectives are achieved.

Issues of Concern

1. The proposed CIC membership cannot represent the industry.

We understand that the members of CIC, apart from the ex-officio members, would be appointed in their personal capacity as the Secretary thinks fit. We feel very strongly that this is a wrong appointment arrangement. Firstly, individuals who do not represent the key industry associations or professional/academic institutions cannot claim they represent the industry. Their views and opinions are wholly theirs and not that of the industry. Secondly, since they do not represent the industry they cannot fulfil the "consensus building" role proposed in the Construct for Excellence Report of the Construction Industry Review Committee as regard industry co-ordination (Para. 9.11 of Report). Thirdly, individual appointments may potentially lead to empire building and cronyism.

The Construct for Excellence Report has the vision that the proposed co-ordinating body is "intended to be an organisation set up by the industry, for the industry" (Para. 9.10 of Report). We respectfully request that this vision is executed by appointments of representatives of key industry organisations to the Council.

2. Memberships of CITB should be nominated by key industry associations and bodies.

The Bill proposes that CITA will be dissolved and subsumed under the CIC as a committee named as the Construction Industry Training Board (CITB). Members of the CITB will be appointed by CIC on an individual basis.

We do not agree with this membership appointment arrangement.

The present membership appointment arrangement has served CITA well in the past and should not be changed. The duty of the members requires them to contact closely with industry associations/bodies drawing expertise and resources from them. Therefore, direct participation of these industry associations/bodies is necessary.

Also, the chairman of CITB should be appointed from one of the representatives of HKCA as is traditionally the case.

3. There should be sufficient resources for training.

Since CIC has much wider scope of objectives it is certain that the financial resources collected from the Construction Industry Levy, which in effect is the existing Construction Training Levy, will not be adequate unless the levy rate is increase or some other means of finance is arranged.

We do not want to see a reduction of finance for training. We would like to have a guarantee from the Government that the financial resources for training should not be substantially reduced, especially during the first three years after the transition.

4. CIC should inherit certain privileges of CITA.

The proposed Bill stipulate that CIC is not to be regarded as the servant or agent of the Government and will not enjoy any status, immunity or privilege of the Government. However, CITA presently enjoys certain privileges of the Government, such as free land grant for its training centres. It is assumed that when CITA is subsumed under CIC such privilege will end.

We would like to see CIC to inherit certain privileges of CITA, such as continuing to have the free land grant for its headquarter and training centres.

Position of HKCA

1. The Ordinance should name the key industry associations and professional institutions as the organizations to nominating members of CIC. We agree whole-heartedly that CIC membership should be eminent members of the industry and their organizational background should not fetter their views in the discussions. These desirable objectives can be achieved by adopting the following nomination arrangement:

- a. The invited organizations are required to nominate eminent members of their profession/sector whose qualification, experience and background are to meet those specified by the CIC. This will ensure the nominated persons are of a high standing in the industry.
- b. More than one candidate is to be nominated by each organization allowing the CIC to select the most suitable members.
- c. The nominating organizations are required to confirm that they would delegate full authority to their representative and would stand by their views and opinions.

With these nomination criteria in place we believe a good balance between “optimal representations” and “nimble decision-making” will be achieved. This will also ensure the CIC will have a solid support, endowed with blessings of the key organizations in the industry.

2. Memberships of CITB should follow the present CITA composition and be nominated by key industry associations and professional institutions.
3. Members of other key CIC committees should also be nominated by key industry associations and professional institutions.
4. Financial resources for CITB should not be substantially reduced during the first three years after the transition.
5. CIC should inherit certain privileges of CITA, such as continuing to have the free land grant for its headquarter and training centres.