

立法會
Legislative Council

LC Paper No. CB(1)1308/10-11(06)

Ref: CB1/PL/DEV

Panel on Development

Meeting on 22 February 2011

Background brief on Construction Manpower in Hong Kong

Purpose

This paper provides background information on the Administration's initiatives on enhancing the supply of manpower for the construction industry and the views and concerns expressed by Members during past discussions on related issues.

Background

2. The construction workforce is facing an acute ageing problem, particularly for workers. According to the statistics of the Construction Workers Registration Authority (CWRA), as at end-December 2010, of the 265 500 registered workers in the construction industry, about 40 % are aged over 50 whereas those aged below 25 account for only about 6 %. On skills distribution, about 60 % of the registered construction workers are general workers without specialized skills.

3. With the various major works projects coming on stream, estimated capital works expenditure increased from \$45.1 billion in 2009-10 to \$49.6 billion in 2010-11, there would be a significant increase in the demand for construction workers and site supervisors in the coming years. The Administration estimated that in 2010-11, the public sector major and minor projects would sustain 62 500 full year jobs in the construction industry, comprising 6 600 job opportunities for professional/ technical staff and 55 900 job opportunities for workers.

4. Despite the great demand for skilled construction workers, the construction industry has encountered difficulties in recent years in

attracting young people and in retaining those who have already joined the workforce. When seeking the approval of the Finance Committee (FC) for funds on 28 May 2010 to support the latest effort of the Construction Industry Council (CIC) to enhance training and trade testing for prospective fresh blood and in-service construction personnel, and to enhance promotion and publicity activities to attract more people to join the industry, the Administration indicated that CIC faced increasing recruitment difficulties for trades such as bar bending and fixing, formwork carpenter (civil construction), metal formwork erection and drainlaying.

Initiatives to strengthen the construction workforce

5. The Financial Secretary announced in the 2010-11 Budget Speech that \$100 million had been earmarked to support CIC for strengthening its work to attract more people, especially young people, to join the construction industry and to upgrade workers' skills, through training and trade testing. In the paper of Development Bureau (DEVB) on budget-related initiatives for the meeting of the Panel on Development (DEV Panel) on 30 March 2010, it was mentioned that in addition to the initiatives to be supported by the funding of \$100 million, certain measures would be introduced for public works contracts to improve the practice of the construction industry by requiring contractors to implement measures to improve the site operating environment for workers, safeguard construction site safety and site cleanliness/tidiness, improve measures on security of payment and require contractors to provide uniform for site personnel.

6. According to the FC paper on 28 May 2010, of the funding of \$100 million, not less than \$80 million would be allocated for reimbursing CIC of the training allowances, trade testing and course fees for trainees and workers; not more than \$20 million would be used by DEVB to enhance the promotion and publicity activities in conjunction with CIC and other stakeholders to attract more people to join the construction industry.

7. The initiatives to be launched with the one-off funding of \$100 million included --

(a) Enhanced Construction Manpower Training Scheme for selected trades

CIC would provide trainees in selected trades (those with problems of acute ageing, labour shortage and difficulties in recruiting new trainees) with an average monthly training allowance of about \$5 000 (against \$90 a day which amounted

to about \$2,000 a month before). When the trainees complete their training and are employed by firms participating in the initiative, they may receive a wage of no less than \$8,000 a month which will be further increased to no less than \$10,000 a month after six months from their employers. CIC intended to use the funding received to provide the \$5,000 allowance to about 3 000 additional trainees under the initiative.

On 24 January 2011, the Hong Kong Construction Association announced that employers participating in the Scheme would offer graduates of selected trades a monthly income of no less than \$10,000 a month which would be further increased to no less than \$15,000 a month after six months.

(b) Advanced training course for senior construction workers

A completely new course would be provided free of charge to in-service senior workers to equip them with necessary language and basic management skills. This was to facilitate the building up of a career ladder for senior workers to advance to the frontline supervisory/management level. Upon gaining sufficient experience, they may take further supervisory level training courses to acquire higher qualifications or start their own business in the trades. CIC intended to use the funding received to provide about 1 500 training places.

(c) Enhanced construction supervisor / technician training

CIC planned to attract more people to join its Construction Supervisor/Technician Programme by offering trainees an enhanced daily training allowance of \$150 (against the previous amount of \$105 a day). CIC intended to use the funding received to provide about 600 training places.

(d) *Subsidy for fees of trade tests, specified training courses¹ and skills enhancement courses*

Some of the general workers may possess prerequisite trade skills or experience to be registered as skilled workers or semi-skilled workers, subject to passing the respective trade tests or attending the Specified Training Courses (STCs). For trades with problems of acute ageing, shortage and difficulties in recruiting new trainees, CIC intended to provide a fee subsidy capped at \$500 for workers to attend trade tests or STCs, and to arrange skills enhancement courses in order to attract or facilitate them to become registered skilled workers. A total of about 18 000 places would be provided, i.e. about 6 000 places each for trade tests, skills enhancement courses and STCs under the initiative.

(e) *Promotion and publicity*

DEVB would provide seed-money to support CIC to set up a Resource Centre as a one-stop platform where potential new entrants and job-seekers can gain easy access to information including training opportunities, types of trades available and career development related to the construction industry. Publicity activities would include promoting the achievements of the industry through various media and channels, reaching out to people of different background and providing information of the industry to potential new entrants, etc. In addition to involving CIC, the Administration would work in collaboration with other relevant stakeholders such as employers, professional institutes, trades unions and labour unions in rolling out publicity activities.

8. According to the FC paper, the above measures were to be implemented from 2010 to 2013. The Administration has committed to closely monitoring the response to the proposed measures and adopted a flexible approach in the allocation of funds to the various proposed measures according to the prevailing labour market situation.

¹ Pursuant to s.41 of the Construction Workers Registration Ordinance (Cap. 583), experienced construction workers satisfying certain registration requirements may attain registered skilled workers qualification through attending a specified training course designated by CWRA and passing the corresponding skill assessment.

9. CIC would also increase its investment correspondingly to cover the core expenses on instructing staff, workshop training and operating expenses, training sundry expenses, capital expenses in furniture and equipment, overheads etc. required for providing the additional training places under the various new initiatives. In 2011, CIC has budgeted to spend about \$238 million on training and trade testing related activities, an increase of almost 20% over its previous year's budget.

Members' views on enhancing the supply of manpower for the construction industry

10. DEV Panel was briefed on 30 March 2010 on the initiatives. FC approved at its meeting on 28 May 2010 the one-off funding of \$100 million to support the implementation of the initiatives. While supporting the funding proposal, the following views were expressed by DEV Panel and FC members:

Training and promotion prospects

- (a) measures should be introduced to enhance workers' promotion prospects and to encourage them to further improve their skill levels;

Safety at construction sites

- (b) it was of utmost importance to inculcate the knowledge of industrial safety among new entrants/young trainees and in-service personnel of the construction industry;
- (c) the Administration should safeguard construction workers' safety, especially in regulating construction activities on high ground;
- (d) the Administration should set aside a certain percentage of the project budget for enhancing site safety;
- (e) CIC should further its efforts in promoting and publicizing construction site safety and good work practices of the industry among the stakeholders and the public;

Wage and welfare issues

- (f) more efforts were required to improve the working conditions and address the various problems, such as wage arrears and evasion of Mandatory Provident Fund contributions by employers;
- (g) the Administration should step up efforts to address the various problems associated with the sub-contracting system in the industry;
- (h) a mandatory registration system should be set up for all subcontractors;
- (i) as the Labour Relations Officer arrangement would help ease the tension between contractors and workers in construction sites, such officers should be recruited by the Administration rather than contractors, so to ensure the independence of the Labour Relations Officer;
- (j) the Administration should appeal to enterprises or developers to support the establishment of relief funds which provided immediate relief to families of victims of serious accidents in construction sites;
- (k) the Administration should explore with CIC and concerned trade unions to tailor-make a retirement scheme for construction workers;

Recruitment campaigns

- (l) the Administration should work with trade unions and trade organizations to launch recruitment campaigns in areas such as Tung Chung and Tin Shui Wai where the unemployment situation was more serious;
- (m) the Administration should introduce measures to assist ethnic minorities to join the industry;
- (n) the Administration should enhance the self image of construction workers and draw on successful overseas experience in this regard; and

- (o) even if local workers did not possess the skills required for certain jobs, the Administration should import the technology rather than foreign skilled workers.

11. At the meeting of the DEV Panel on 23 November 2010, when discussing the amalgamation of CIC and CWRA, a member asked the Administration whether the two concerned organisations would take the opportunity of the amalgamation to improve the professional status, manpower development and image of the construction industry so as to bring in new blood. Another member enquired whether efforts had been made in regulating project sub-contracting to protect the benefits of construction workers.

12. The Administration advised that they had been controlling the degree of sub-contracting in public works contracts. Main contractors of public works contracts were required to provide subcontractor management plans. The Administration and CIC had set up a working group to study the issues relating to sub-contracting with a view to solving the remaining problems. As regards recruitment of construction workforce, the Administration reported that lots of work had been started to encourage the younger generation to join the industry and they could give members a separate briefing on this subject.

The Administration's response

Training and employment of local workers and ethnic minorities

13. The Administration advised that the CIC Training Academy had planned to introduce a new training programme to improve language and management skills of experienced construction workers so as to enhance their advancement prospects to become supervisors or even contractors.

14. The Administration agreed that local workers should be given priority in employment. The training centre in Tin Shui Wai, which was opened in September 2009, aimed at reaching out to workers and moving training facilities to their neighbourhood. The same strategy could apply to other areas like Tseung Kwan O and Tung Chung. A new training base could be set up and start operation within a short period from the granting and formation of land.

15. The CIC Training Academy had started to develop a number of training courses in English for the ethnic minorities. The first one on

metal formwork erection was well received. Four other training courses were being considered to be rolled out in the near future. A new training centre had been set up at Tin Shui Wai in 2009 to facilitate the ethnic minorities in the northwest New Territories.

Safety at construction sites

16. The Administration agreed that promoting safety in the construction industry was of top priority. Industrial safety had improved substantially over the past ten years, with the accident rate in public works construction sites dropping from 55 per 1 000 workers to 11 per 1 000 workers in a year, while the overall accident rate in all works construction sites had dropped from 198 per 1 000 workers to 56 per 1 000 workers a year over the period.

17. CIC had developed guidelines on site management practices for the private sector, modelled on the practices for public works sites. Legislative measures might be considered if the guidelines are not effective. The CIC Training Academy provided more than 20 safety courses for in-service construction personnel, including general safety courses and safety courses for some specialized job types. With the provision of the proposed funding, CIC would strengthen training on occupational safety for newcomers and in-service personnel in the industry.

18. The Administration had been working with the industry to improve the practices of the construction industry. Following the Budget Speech of the Financial Secretary in February 2010, the Administration, in collaboration with CIC and the construction industry, had drawn up a series of measures to improve the practices of the industry such as introducing best practices to further enhance safety, working environment and conditions in construction sites. There was an annual award scheme, namely the "Considerate Contractors Site Award" scheme, to recognize the good work practices adopted by contractors in operating construction sites. The good practices of the company awardees would be shared with the industry.

Wage arrears

19. The Administration had been liaising with CIC and the Hong Kong Construction Association to tackle the problem. Complaints about wage arrears had considerably decreased in recent years and wage arrears was not common in public works projects. In cases of wage arrears in public works projects, the Administration would deduct the wages in arrears from the payments due to the relevant main contractors for reimbursement to the

workers concerned. The Administration, however, had no authority to regulate the contracts for private works projects. CIC had been encouraging the private construction sector to adopt similar practices in private works projects. Public works contracts contain provisions for a Labour Relations Officer to be stationed at the construction site to address and look into, among other things, complaints about wage arrears. If a case of wage arrears was confirmed on the ruling of the Labour Tribunal, the Administration will provide the wage directly to the affected worker by deducting the amount from the payment to the main contractor.

Sub-contracting

20. Under public works contracts, sub-contracting was limited to two tiers. There was a voluntary registration scheme for sub-contractors in the construction industry which facilitated the Administration in the management of sub-contracting.

21. The Administration would support concerned trade unions, CIC and interested individuals in their future fundraising activities for the relief fund for families of victims of serious accidents at construction sites. They had helped improve the cash flow of contractors and sub-contractors through measures such as interim payment and early release of the retention money. These new measure were introduced in end 2008 on a short-term basis, and was extended to the end of 2010. Consideration would be made to establish the arrangement as an on-going practice.

Recent development

22. The Administration will brief the DEV Panel on 22 February 2011 on the latest manpower situation of the construction industry in Hong Kong, including the latest efforts of CIC in enhancing the supply of construction manpower.

Relevant papers

23. A list of the relevant papers with their hyperlinks in the Legislative Council website is at the **Appendix**.

Construction Manpower

List of relevant papers

Council/ Committee	Date of meeting	Paper
Panel on Development	30 March 2010	<p>Administration's paper -- Budget-related initiatives of Development Bureau (LC Paper No. CB(1)1447/09-10(03)) http://www.legco.gov.hk/yr09-10/english/panels/dev/papers/dev0330cb1-1447-3-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)1920/09-10) http://www.legco.gov.hk/yr09-10/english/panels/dev/minutes/dev20100330.pdf</p>
Finance Committee	28 May 2010	<p>Administration's paper -- HEAD 159 -- Government Secretariat: Development Bureau (Works Branch); Subhead 700 -- General non-recurrent; New Item "Investing in Construction Manpower" (FCR(2010-11)20) http://www.legco.gov.hk/yr09-10/english/fc/fc/papers/f10-20e.pdf</p> <p>Minutes of meeting (LC Paper No. FC16/10-11) http://www.legco.gov.hk/yr09-10/english/fc/fc/minutes/fc20100528a.pdf</p>

Council/ Committee	Date of meeting	Paper
Panel on Development	23 November 2010	Administration's paper - An Update on the Work of the Construction Industry Council and the Construction Workers Registration Authority and the Way Ahead (LC Paper No. CB(1)467/10-11(03)) http://www.legco.gov.hk/yr10-11/english/panels/dev/papers/dev1123cb1-467-3-e.pdf Minutes of meeting (LC Paper No. CB(1)1053/10-11) http://www.legco.gov.hk/yr10-11/english/panels/dev/minutes/dev20101123.pdf