

**For discussion  
on 23 November 2010**

**LEGISLATIVE COUNCIL  
PANEL ON DEVELOPMENT**

**An Update on the Work of  
the Construction Industry Council and  
the Construction Workers Registration Authority and  
the Way Ahead**

**Purpose**

This paper updates Members on the work of the Construction Industry Council (CIC) and the Construction Workers Registration Authority (CWRA), and seeks Members' views on the proposed amendments to the Construction Industry Council Ordinance (CICO) and the Construction Workers Registration Ordinance (CWRO), including a proposal to amalgamate the CIC with the CWRA.

**Background**

2. The Construction Industry Review Committee (CIRC) completed in January 2001 a comprehensive review of the state of the local construction industry and recommended, among others, the setting up of a statutory industry co-ordinating body to establish a better focus on pan-industry strategic issues in achieving continuous improvement across the industry. The CIRC also supported in principle the implementation of a worker registration scheme through legislative means proposed by the then Construction Advisory Board<sup>1</sup>. Upon extensive consultations, the Construction Workers Registration Ordinance (Cap. 583) (CWRO) and the Construction Industry Council Ordinance (Cap. 587) (CICO) were enacted in July 2004 and May 2006 respectively. As envisaged in

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<sup>1</sup> The Construction Advisory Board is an advisory body set up under the then Works Bureau. It was chaired by the then Secretary for Works and its membership comprised industry representatives and representatives from concerned Government bureaux and departments.

the legislation, a statutory CWRA and CIC were established on 18 September 2004 and 1 February 2007 respectively.

3. When the CIC Bill was introduced into the Legislative Council in February 2004, the Administration made clear its intention “to provide a legal platform so that the construction co-ordinating body could in future widen its ambit to take up construction workers registration and other self-regulatory regimes”<sup>2</sup>. Further, section 5(e) of the CICO stipulates that one of the functions of the CIC is “to improve the performance of persons connected with the construction industry through establishing or administering registration schemes or rating schemes”.

### **Update on the Work of CIC and CWRA**

4. Since its establishment, the CIC has been diligently carrying out its statutory functions in consultation with the Government and the industry.

5. The CIC was amalgamated with the Construction Industry Training Authority (CITA) on 1 January 2008. The Construction Industry Training Board (CITB) was concurrently established to oversee the provision of construction training and trade testing activities. The CIC has also formulated construction manpower training and development strategies, launched new training schemes to address the manpower demand of the industry, conducted research and development projects and issued a series of guidelines to enhance the operations of the construction sector. Major achievements of the CIC are set out at **Annex A**.

6. On the other hand, the CWRA started the registration of construction workers on 29 December 2005. Up to end September 2010, there were about 270 000 registered construction workers. Some 100 000 of them are registered as skilled / skilled (provisional) or semi-skilled/ semi-skilled (provisional) workers for designated trades at their own initiative in anticipation of the implementation of Phase Two

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<sup>2</sup> Please refer to paragraph 7(d) of the Legislative Council Brief on the Construction Industry Council Bill ref. ETWB(IR)310/13(02).

Prohibition which prohibits workers from undertaking construction works except those trades they are registered for. To give construction workers, contractors and other concerned parties sufficient time to gradually adapt to the workers registration system, the CWRA has proceeded with the control regime in phases. One of the key milestone dates was 1 September 2007 when the Phase One Prohibition came into operation. Starting from this date, unregistered construction workers are prohibited from carrying out construction work at construction sites. Employers are also prohibited from employing unregistered construction workers. According to the site inspection records of the CWRA, the Phase One Prohibition has generally been implemented smoothly.

### **Amalgamation of CIC with CWRA**

7. For the long term benefit of the construction industry in Hong Kong, and taking account of the solid work done over the past years, we consider that every step should be taken to enhance efficiency and effectiveness to ensure the smooth operation of the industry. Given that both the CIC and the CWRA share the common objectives of nurturing a high-quality construction workforce and ensuring the quality of construction works, we believe that synergy could be achieved by placing the CWRA within the CIC.

8. The proposed organizational streamlining can improve the operational efficiency of the CIC and the construction workers registration system in the following aspects -

- (a) single statutory body for the industry – the simplified and unified organizational structure will benefit workers and stakeholders;
- (b) consistent policy and priority setting for the industry - it will result in better coherence in delivering the construction workers registration policy and other construction related policies;
- (c) enhancement of administrative and operational efficiency - registration/ training/ trade testing matters will be addressed by

one single system;

- (d) elimination of ambiguity in demarcation of responsibilities – the CWRA is currently responsible for the setting of qualification requirements for registration under the CWRO while the CIC sets the qualification standards for trade tests. This demarcation of responsibilities is not conducive to ensuring clarity and certainty in workers registration; and
- (e) more effective deployment of resources and sharing of information – resources and information of the two statutory bodies can be more effectively deployed/ shared after they are brought under one management structure.

9. As a matter of fact, there has been close collaboration between the CIC and the CWRA. The CIC has been extensively involved in the following administrative responsibilities related to the registration of construction workers in support of the CWRA -

- (a) performing the role of Registrar of Construction Workers;
- (b) collecting levy on behalf of the CWRA;
- (c) setting the trade qualification standards of the construction workforce;
- (d) offering training courses for provisionally registered construction workers; and
- (e) providing office accommodation for the CWRA secretariat.

Further details are at **Annex B**.

### **Reviewing CICO and CWRO**

10. The proposed organizational streamlining will require amendments to the CICO and the CWRO. We propose to make other necessary amendments identified in the course of their implementation in the following areas. First, whilst Phase One Prohibition which commenced on 1 September 2007 has generally been operating smoothly, following a recent review and consultations with industry stakeholders, the Administration concludes that it would be necessary to consider

legislative amendments to the CWRO before implementing Phase Two Prohibition. The main problems that need to be tackled include the anticipated difficulties for minor works practitioners to fully comply with the requirements of the CWRO under Phase Two Prohibition, difficulties encountered by workers practising maintenance and sundry works to register under the CWRO and small scale ancillary works need to be undertaken by skilled/ semi-skilled workers of designated trades. Second, actual experiences confirm that the administrative procedures laid down in the Ordinances are too restrictive and are hampering the operational efficiency of the legislations. For example, workers can only apply for renewal of their registration not earlier than three months before and not later than seven business days before the expiry of their registration under the CWRO. The CIC cannot delegate its power of entering into contracts or assignments to its employees irrespective of their value and so contracts of very minor and routine nature still require the direct approval of the Council.

### **Merging of Construction-related Cards**

11. At present, construction workers often need to carry with them different types of construction-related cards/ certificates to meet statutory and/or contractual requirements. On different occasions, the Administration has been requested by industry practitioners to merge these construction-related cards/ certificates so that workers need only to carry one card containing all the necessary data with them. As a means to address this concern, in late 2009, the CWRA worked with the Labour Department to adopt the registration card issued by the CWRA as a proof of possession of valid attendance certificate of safety training course (commonly known as “Green Card”) under section 6BA of the Factories and Industrial Undertakings Ordinance (Cap. 59).

12. Upon the proposed organizational refinement, there would be wider room to merge the cards/ certificates issued by the CIC with the construction workers registration cards through the sharing of workers’ training and registration records. However, for cards/ certificates required under various legislations, there are legal and administrative constraints, such as the different validity period and renewal arrangements, that hamper the merging of these cards/ certificates. The

feasibility of merging of these cards/ certificates will need to be further investigated.

### **Way forward**

13. The proposals in this paper have received in principle support from the CIC and the CWRA at their respective meeting held on 5 November 2010. We will consult all relevant industry stakeholders including trade associations, developers, labour unions, professional institutes and training institutes in respect of the time frame and details as we take forward the proposed legislative amendment exercise.

### **Advice Sought**

14. Members are requested to note the work of the CIC and the CWRA and provide comments, if any, on the proposals outlined in this paper.

**Works Branch  
Development Bureau  
November 2010**

## **Major Achievements of the Construction Industry Council**

Since its establishment in February 2007, the CIC has been diligently carrying out its statutory functions in consultation with the Government and the industry. The major achievements of the CIC include –

- amalgamated with the Construction Industry Training Authority in January 2008 and established the Construction Industry Training Board to oversee the provision of construction training and trade testing activities;
- formulated construction manpower training and development strategies including the undertaking of a manpower research for the construction industry of Hong Kong;
- launched new training schemes such as the Civil and Building Cooperative Training Scheme, Construction Industry Youth Training Scheme and the Employers Subsidy Scheme to address the anticipated manpower demand of the industry;
- established a code of conduct for construction personnel;
- provided strong inputs to and acted as one of the four founding organizations of the Hong Kong Green Building Council established in November 2009;
- conducted a number of research and development projects conducive to enhancing the construction standards in Hong Kong;
- managing the Voluntary Sub-Contractors Registration Scheme; and
- issued the following Guidelines on subjects that are considered highly important and relevant to the industry in facilitating the adoption of construction standards and promoting good practices.

### **Construction Site Safety**

- Guidelines on Safety of Tower Crane (June 2008)
- Guidelines on Site Safety Measures for Working in Hot

Weather (June 2008)

- Guidelines on Safety of Site Vehicles and Mobile Plant (June 2008)
- Guidelines on Safety of Tower Crane – Version 2 (July 2010)
- Guidelines on Safety of Lift Shaft Works: Volume 1 - During Construction Stage and Before Handing Over to Lift Installation Contractor (July 2010)

**Subcontracting**

- Guidelines on Administration Charges for Reporting of Site Accidents (August 2008)
- Guidelines on Measures for Protection of Workers' Entitlement to Wage Payment (August 2010)
- Guidelines on Dispute Resolution (September 2010)

**Procurement**

- Guidelines on Partnering (August 2010)

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## **Collaboration between CIC and CWRA**

Since its establishment, the CIC has been extensively involved in the following administrative responsibilities related to the registration of construction workers –

(a) performing the role of Registrar of Construction Workers

The CWRA appointed the then CITA as Registrar of Construction Workers on 24 February 2005. The appointment was subsequently transferred to the CIC following the amalgamation of the CITA with the CIC on 1 January 2008. The CIC now carries out the following key registration functions for the construction workforce: establish and maintain a Register of Construction Workers, process applications for registration or renewal applications, collect application fees for onward transmission to the CWRA, and maintain a database on registered construction workers.

(b) collecting levy on behalf of the CWRA

To meet the operation costs of the registration system and to alleviate the burden on construction workers regarding payment of the registration/ renewal fees, the CWRO stipulates the imposition of a levy on the value of all construction operations carried out in Hong Kong. As the basis on which the levy is imposed under the CWRO is similar to that for the construction industry levy imposed under the Industrial Training (Construction Industry) Ordinance (Cap. 317), the CWRA engaged the then CITA to collect the levy stipulated under CWRO on its behalf. The task was subsequently transferred to the CIC on 1 January 2008 upon the amalgamation of the CITA with the CIC.

(c) maintaining trade qualification standards for registration

It is the statutory functions of the CIC to assess the standards of

skills achieved by any person in any kind of work involving or in connection with the construction industry, to conduct examinations and tests, to issue or award certificates of attendance or competence, and to establish the standards to be achieved in respect of any such work. Many of the standards so established have been adopted as the qualification for registration and specified in Schedule 1 of the CWRO.

(d) offering training courses for provisionally registered workers

To recognise the skills of senior construction workers, the CWRO has provisions for experienced workers who possess no less than six years' experience in the respective trade to apply for registration as registered skilled worker (provisional). The registered skilled worker (provisional) may choose to complete a training course specified by the CWRA for the trade (including an assessment which forms part of the training course), or to undertake a relevant trade test directly. Workers who have successfully completed the course or passed the trade test can apply for registration as a registered skilled worker for the trade<sup>3</sup>. The CIC offers training courses for this purpose.

(e) providing office accommodation for the CWRA secretariat

The CIC provides office space for the CWRA secretariat and houses its facilities, as well as workers registration offices in the CIC's industrial training centres to receive registration applications.

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<sup>3</sup> Please refer to s.41 of the CWRO.