

**立法會**  
***Legislative Council***

LC Paper No. CB(3) 846/11-12

Ref. : CB(3)/M/OR

Tel : 3919 3300

Date : 31 May 2012

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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**Council meeting of 20 June 2012**

**Proposed resolution under  
the Construction Industry Council Ordinance**

I forward for Members' consideration a proposed resolution which the Secretary for Development will move at the Council meeting of 20 June 2012 under section 70 of the Construction Industry Council Ordinance (Cap. 587). The President has directed that "it be printed in the terms in which it was handed in" on the Agenda of the Council.

2. The speech, in both Chinese and English, which the Secretary will deliver when moving the proposed resolution is also attached.

(Mrs Justina LAM)  
for Clerk to the Legislative Council

Encl.

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**Construction Industry Council Ordinance**

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**Resolution**

(Under section 70 of the Construction Industry Council Ordinance (Cap. 587))

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**Resolved** that the Construction Industry Council Ordinance (Cap. 587) be amended as set out in the Schedule.

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**Schedule**

**Amendment to Construction Industry Council Ordinance**

**1. Schedule 5 amended (levy)**

Schedule 5, Part 2—

**Repeal**

“0.4%”

**Substitute**

“0.5%”.

**Explanatory Note**

Currently construction operations the total value of which exceeds \$1 million are subject to the payment of a levy under section 32 of the Construction Industry Council Ordinance (Cap. 587) (*Ordinance*) at the rate specified in Part 2 of Schedule 5 to the Ordinance. This Resolution increases the specified rate from 0.4% of the value of the construction operations concerned to 0.5%.

2. The increase comes into effect on the expiry of the period of 30 days after the publication in the Gazette of this Resolution (see section 70(2) and (5) of the Ordinance).

Speech by the Secretary for Development in  
Moving the Resolution under Section 70 of the  
**Construction Industry Council Ordinance (CICO) (Chapter 587)**  
in the Legislative Council on 20 June 2012

(This is a draft; please check against actual delivery.)

Chairman,

I now move that the resolution, as printed on the Agenda, to increase the levy rate imposed on construction operations under CICO, be passed.

Construction Industry Council (CIC) was established in February 2007 under CICO to forge consensus on long-term strategic issues concerning the local construction industry, convey the industry's needs and aspirations to the Government and to provide a communication channel for the Government to solicit advice on construction-related matters. According to CICO, for construction operations with total value exceeding \$1 million, a contractor is liable to pay a levy to CIC to support its operations. The current levy rate is 0.4% of the value of the construction operations.

To attract more people to join the construction industry and to support its long-term development, CIC has actively implemented a number of new initiatives in the recent years. These include expansion/establishment of training courses, works to collaborate with the Government to uplift the construction industry's image and the publication of more construction information. The Government has twice injected one-off funding (i.e. in May 2010 and April 2012) at a total of \$320 million to support the implementation of the concerned initiatives. Facing the challenges of the forging ahead of various major infrastructure projects, construction workers' ageing problem as well as skill mismatch, we need to continue with the above initiatives and through CIC launch initiatives to improve the health and welfare benefits of construction workers and to study improvement measures on construction safety. As

additional and stable resources are required for implementing the new initiatives, CIC conducted a review on the levy rate under CICO with reference to its current and future financial positions, and proposed to the Government to increase the levy rate by 0.1% to 0.5%.

Having considered the financial positions and proposals of CIC, the Government intends to effect technical amendments to CICO. Capitalising on the opportunity arising from Secretary for Labour and Welfare's proposal to reduce the levy rate by 0.1% to 0.15% under the Pneumoconiosis and Mesothelioma (Compensation) Ordinance, with the overall levy rate remaining unchanged, I propose to increase the levy rate specified in Part 2 of Schedule 5 to CICO from 0.4% of the value of the construction operations concerned to 0.5%. The increase in levy rate will enable CIC to conduct various new initiatives to attract more new blood to join the construction industry and to nurture a quality construction workforce, so as to support the sustainable and long-term development of the industry.

The Labour Advisory Board members have unanimously agreed to accept the proposals to amend the concerned levy rates. In May this year, we have also obtained Development Panel members' support. If the proposed resolution is passed, the revised levy rates would come into effect 30 days after the resolutions are published in the Gazette.

Chairman, I hope that Members will support and pass the motion.  
Thank you.