

立法會
Legislative Council

LC Paper No. LS73/11-12

**Paper for the House Committee Meeting
on 8 June 2012**

**Legal Service Division Report on
Proposed Resolution under section 70 of the
Construction Industry Council Ordinance (Cap. 587)**

The Secretary for Development (the Secretary) has given notice to move a motion under section 70 of the Construction Industry Council Ordinance (Cap. 587) (the Ordinance) at the Legislative Council meeting of 20 June 2012 to increase the levy rate specified in Part 2 of Schedule 5 to the Ordinance from 0.4% of the value of the construction operations concerned to 0.5%.

2. Under the Ordinance, a contractor is liable to pay a specified levy rate of the value of the construction operations¹ to the Construction Industry Council (CIC) if the total value of the construction operations exceeds \$1 million.

3. According to paragraph 5 of the LegCo Brief, CIC has actively implemented a number of new initiatives in the recent years in order to attract more people to join the construction industry and support its long-term development. Such initiatives include expansion or establishment of training courses, works to collaborate with the Government to uplift the construction industry's image and the publication of more construction information. Additional and stable resources are required for implementing the new initiatives. The last levy rate increase was in 2000.

4. According to paragraph 9 of the LegCo Brief, at the same time as the present proposal of levy rate increase under the Ordinance as reflected in the proposed resolution, Labour and Welfare Bureau intends to amend the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (PMCO) (Cap. 360) to reduce the levy rate by 0.1% from 0.25% to 0.15% under PMCO so that

¹ The meaning of "construction operations" is stated in Schedule 1 of the Ordinance. They include building works and street works as defined in section 2(1) of the Buildings Ordinance (Cap.123) and construction, alteration, repair, maintenance, extension, demolition or dismantling of, and supply and installation of fittings or equipment in, e.g. buildings.

the overall levy rate remaining unchanged, additional resources could be provided to CIC to conduct various new initiatives. Members may refer to the LegCo Brief (with no reference number) issued by the Development Bureau in May 2012 for further and background information.

5. Under section 70(2) of the Ordinance, the proposed resolution shall come into effect on the expiry of the period of 30 days after its publication in the Gazette on 29 June 2012 (as stated in paragraph 11 of the LegCo Brief), that is 30 July 2012.

6. The Administration consulted the Panel on Development on 22 May 2012 on its proposal to increase the levy rate under the Ordinance by 0.1% to 0.5% and at the same time lower the levy rate under PMCO by 0.1% to 0.15%. Panel members supported the Administration's proposal.

7. No difficulties have been identified in the legal or drafting aspects of the proposed resolution.

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