

**For information**  
**16 December 2016**

**LEGISLATIVE COUNCIL**  
**PANEL ON DEVELOPMENT**

**Review of Safety Management System for Public Works Contracts**

**PURPOSE**

This paper briefs Members on the results of the Review of Safety Management System (SMS) for Public Works Contracts.

**BACKGROUND**

2. The Government has always attached great importance to safety of the construction industry. A multi-pronged approach has been adopted in the SMS, namely the Pay for Safety Scheme, safety training, Safety Score Card system and regulating actions against mal-practice contractors. The Pay for Safety Scheme for public works projects was launched in 1996 under “Construction Site Safety Manual (CSSM)” with an aim to ensure that a safety management system would be in place for protecting workers’ health and safety when they carry out public works projects by taking away the competitive element in pricing safety related items in the tendering exercise. Safety training requirements are also covered under the CSSM. In addition, Safety Score Card for assessment of site safety performance of contractors was introduced under our Technical Circular No. 26/2000, environmental management and Pay for Safety Performance Merit Scheme under our Technical Circular No. 19/2005, and regulating actions against contractors under our Technical Circular No. 3/2009.

3. Subsequent reviews and improvement initiatives to the SMS have been adopted from time to time. With all the concerted efforts, the accident rate for public works has dropped drastically by over 85 per cent, from 56.6 per 1 000 workers in 1996 to 8.0 per 1 000 workers in 2016.

4. The latest review was conducted in mid-2015 with the objectives to

sustain our effort on site safety as well as to simplify and streamline the existing initiatives and the corresponding administrative work. We have also agreed to inform the Legislative Council the results of the review by end-2016.

## **REVIEW**

5. The review has identified the following areas that deserve attention:
  - (a) The procedural and administrative work under the SMS requires streamlining;
  - (b) The appropriateness of the items in the Safety Score Card system and the Bills for the Pay for Safety Scheme (PFSS) or Pay for Safety and Environment Scheme (PFSES) needs to be reassessed; and
  - (c) The objectivity in reflecting the performance of contractors in tender evaluation and regulating actions for occurrence of a serious incident or conviction for site safety or environmental offence needs to be enhanced.

## **CONSULTATION**

6. Upon completion of the review in end-2015, a proposal was issued to 63 key stakeholders (**Enclosure 1**) for consultation in November 2015. The 63 key stakeholders include workers' unions, trade associations, safety practitioners groups, professional bodies, relevant public works contractors, relevant government departments and other related parties in the trade. During the consultation period (November 2015 to May 2016), 16 consultative meetings were held to exchange views with the key stakeholders. The responses were generally supportive of the proposal.

7. Taking into account the views of the key stakeholders, we have now finalized the proposed revision to the SMS, the crux of which is summarized at **Enclosure 2**.

## **WAY FORWARD**

8. The Government will promulgate the revised SMS in 2017 and will continue to review and improve the SMS from time to time with the aim of further enhancing the construction site safety in Hong Kong.

## **ADVICE SOUGHT**

9. Members are invited to note the results of the review and way forward for the promulgation of the revised SMS.

**Development Bureau**  
**December 2016**

**List of Key Stakeholders Consulted**

- The Federation of Hong Kong Electrical and Mechanical Industries Trade Unions
- Hong Kong Construction Industry Employees General Union
- The Association of Architectural Practices
- Hong Kong Construction Association
- Hong Kong Construction Sub-Contractors Association
- The Hong Kong Federation of Occupational Safety and Health Associations
- Occupational Safety and Health Council
- Architects Registration Board
- The Association of Consulting Engineers of Hong Kong
- The Association of Consultant Quantity Surveyors
- Engineers Registration Board
- The Hong Kong Institute of Architects
- Hong Kong Institute of Construction Managers
- The Hong Kong Institution of Engineers
- The Hong Kong Institute of Surveyors
- Professional Building Surveying Consultants Association of Hong Kong
- Airport Authority Hong Kong
- CLP Power Hong Kong Limited
- Construction Safety Benchmarking Group
- The Hongkong Electric Co Ltd
- The Hong Kong and China Gas Company Limited
- Hong Kong Housing Society
- Hospital Authority
- MTR Corporation
- The Real Estate Developers Association of Hong Kong
- Urban Renewal Authority
- Hong Kong Construction Industry Council
- Resident Site Staff Association
- 26 relevant listed public works contractors
- 9 relevant government departments

## Review of Safety Management System for Public Works Contracts

### Summary of Revised SMS

The crux of the proposed revision to the SMS is summarized below:

#### Safety Score Card system

- (a) The Score Card will be revamped by combining individual sub-items and streamlining the mechanism of carrying the marks from it to the Report on Contractor's Performance.

#### Bills for the PFSS/PFSES

- (b) The following items will be retained with method of measurement streamlined:
  - (1) site specific induction training;
  - (2) toolbox talks;
  - (3) participate in promotional campaign;
  - (4) pre-work activities of Site Safety Cycle;
  - (5) safety training for specified trade workers;
  - (6) provide safety officer;
  - (7) safety meeting; and
  - (8) safety walk.
- (c) The following items will not be separately paid for but included in the Bills for Preliminaries:
  - (1) complete and update safety plan; and
  - (2) provide safety bulletin board.
- (d) All environmental related items will be combined and included in an appropriate item of the Bills for Preliminaries.
- (e) A new item on prevention of heat stroke will be added.
- (f) After the simplification and streamlining, the total amount of safety related items will still remain high relative to the project cost and account for a maximum of 2.9 per cent.

Enhancing the objectivity in reflecting the performance of contractors in tendering evaluation and regulating action

- (g) A new statistics of “severe incidents” will be established and considered in tender evaluation in lieu of the prevailing reportable incident statistics. Severe incidents are defined as fatal incidents or any injury arising from construction activity, which requires hospitalisation for 2 or more nights, between the day admitted to and the day discharged from the hospital;
- (h) A contractor will be required to undertake an independent safety audit immediately after occurrence of a serious incident or conviction for site safety or environmental offence; and
- (i) The contribution of third party will be considered in determining the level of penalty.