

**立法會**  
**Legislative Council**

LC Paper No. CB(3) 600/17-18

Ref. : CB(3)/M/OR

Tel : 3919 3300

Date : 17 May 2018

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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**Council meeting of 30 May 2018**

**Two proposed resolutions**

The Secretary for Development and the Secretary for Labour and Welfare will respectively move at the above meeting:

- (a) the proposed resolution under the Construction Industry Council Ordinance (Cap. 587) (**Appendix 1**); and
- (b) the proposed resolution under the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Cap. 360) (**Appendix 2**).

The President has directed that the proposed resolutions be printed in the terms in which they were handed in on the Agenda of the Council.

2. The speeches, in both Chinese and English, which the two Secretaries will deliver when moving the two proposed resolutions are in **Appendices 3 and 4** respectively.

(Dora WAI)  
for Clerk to the Legislative Council

Encl.

**Secretary for Development's proposed resolution**

Resolution of the Legislative Council

Resolution of the Legislative Council

1

Schedule  
Section 1

2

**Construction Industry Council Ordinance**

**Schedule**

**Resolution**

**Amendment to Construction Industry Council Ordinance**

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

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

Schedule 5, Part 1—

**Repeal**

“\$1,000,000”

**Substitute**

“\$3,000,000”.

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

**Secretary for Labour and Welfare's proposed resolution**

Resolution of the Legislative Council

Resolution of the Legislative Council

Schedule  
Section 1

1

2

**Pneumoconiosis and Mesothelioma (Compensation)  
Ordinance**

**Resolution**

(Under section 36 of the Pneumoconiosis and Mesothelioma  
(Compensation) Ordinance (Cap. 360))

**Resolved** that the Pneumoconiosis and Mesothelioma (Compensation)  
Ordinance (Cap. 360) be amended as set out in the Schedule.

**Schedule**

**Amendment to Pneumoconiosis and Mesothelioma  
(Compensation) Ordinance**

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

Schedule 5, Part 1—

**Repeal**

“\$1,000,000”

**Substitute**

“\$3,000,000”.

**Speech by the Secretary for Development for  
Moving the Resolution under Section 70 of the  
Construction Industry Council Ordinance (Cap. 587)  
at the LegCo Meeting on 30 May 2018**

(Draft, please check against delivery.)

President,

I move that the motion under my name, as printed on the Agenda, be passed.

2. The purpose of this motion is to raise the levy threshold stipulated in Part 1 of Schedule 5 to the Construction Industry Council Ordinance (Cap. 587) (“CICO”) from \$1 million to \$3 million.

3. The Construction Industry Council (“CIC”) was established under CICO in February 2007. Under CICO, for construction operations with total value exceeding the levy threshold at \$1 million, contractors are required to pay a levy at 0.5% of the value of construction operations to the CIC to support its functions, which includes advising the Government on construction-related matters and providing training to construction workers. To alleviate the financial burden on small and medium contractors, small-scale construction operations with total value not exceeding the levy threshold at \$1 million are not liable to the levy. The prevailing levy threshold at \$1 million, which was adopted when CIC amalgamated with the then Construction Industry Training Authority in January 2008, has remained unchanged since stipulated in 1985.

4. To relieve the financial burden on small and medium contractors, the CIC completed a review on the levy threshold. Taking into account inflation over the past three decades, the CIC recommended the Government to increase the levy threshold to \$3 million. According to the CIC's assessment, after raising the levy threshold, around one-fourth of the construction operations currently paying the levy will be exempted. The CIC would hence forgo around \$8 million annually, equivalent to about 1% of its annual levy income. Given its healthy financial position, the CIC should be able to absorb the impact of the reduction in levy income through cost-effective use of resources. The CIC has reached consensus with industry stakeholders on the proposed amendment.

5. Apart from CICO, under the Construction Workers Registration Ordinance (Cap. 583) ("CWRO") and the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Cap. 360) ("PMCO"), contractors are also required to pay levies to the CIC and Pneumoconiosis Compensation Fund respectively for construction operations with total value exceeding \$1 million. To avoid confusion to contractors and facilitate administration, the same amendment should be made to these two ordinances with a view to aligning the levy threshold.

6. Thus, the Secretary for Labour and Welfare will also move motion to raise the levy threshold under PMCO. Following the passage of the resolutions amending the levy thresholds under CICO and PMCO, we will table the amendment notice to revise the levy threshold under CWRO for negative vetting. The effective dates of the new levy thresholds under the three ordinances will be the same.

7. I hope that Members will support and pass this motion. Thank you, President.

**DRAFT**

Speech by the Secretary for Labour and Welfare  
in moving the Resolution under Section 36  
of the Pneumoconiosis and Mesothelioma (Compensation) Ordinance  
at the Legislative Council sitting on 30 May 2018

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

President,

I move that the resolution, as printed on the Agenda, be passed.

2. The purpose of this resolution is to raise the levy threshold under the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (PMCO) from \$1 million to \$3 million.

3. The Pneumoconiosis Compensation Fund (the Fund) is set up under PMCO to provide payment of compensation to persons and their family members in respect of incapacity or death resulting from pneumoconiosis and/or mesothelioma. The Fund is administered by the Pneumoconiosis Compensation Fund Board (PCFB). Apart from compensation work, PCFB also conducts and finances educational, publicity, research and rehabilitation programmes in relation to pneumoconiosis and mesothelioma.

4. To finance the functions of PCFB, PMCO provides for the imposition of a levy in respect of construction operations carried out in Hong Kong as well as quarry products extracted or produced. The current levy rate is set at 0.15% of the value of construction operations and the value of quarry products. Construction operations with total value not exceeding \$1 million are exempt from the payment of levy (i.e. the levy threshold), as set out in Part 1 of Schedule 5 to PMCO. The levy threshold has remained unchanged since June 1985.

5. Taking into account the accumulative inflation over the past three decades or so, the Construction Industry Council (CIC) completed a review on the levy thresholds under the Construction Industry Council Ordinance and the Construction Workers Registration Ordinance. As the same levy threshold also applies to PMCO, CIC recommended the levy thresholds under the three Ordinances be increased from \$1 million to \$3 million after having reached consensus among stakeholders of the construction industry.

6. PCFB has assessed that it would forgo around \$3.5 million annually of its levy income after the amendment. This would be equivalent to 1% of its average annual levy income. Given the healthy financial position of the Fund, the proposed amendment of levy threshold would not affect the financial viability of PCFB in discharging its statutory functions.

7. Having considered the recommendation of CIC and the financial position of PCFB, we propose to raise the levy threshold under PMCO from \$1 million to \$3 million. PCFB agreed to the proposal while members of the Labour Advisory Board had no objection. The Legislative Council Panel on Development discussed the proposal on 27 March 2018, and Members of the Panel on Manpower and other Legislative Council Members were also invited to join the discussion. The meeting raised no objection to the proposal. If the resolution is passed today, the new levy threshold will come into effect on 2 July 2018.

8. I hope that Members will support and pass this resolution to raise the levy threshold specified in PMCO from \$1 million to \$3 million.

9. Thank you, President.

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