

Construction Workers Registration Bill

Report to the Bills Committee on Outcome of Discussions on the Qualifying Period

1. The Issue

At the second Bills Committee meeting held on 24 June 2003, deputations from the construction industry were invited to present their opinions and comments on the proposed registration system. In view of the diverse views of the attending deputations/individual on the proposed 10-year qualifying period for senior workers to seek exemption from trade tests and be registered as “skilled workers”, the Administration was asked to hold further discussions with all the stakeholders of the construction industry with a view to securing a consensus view on the exemption requirement. This report summarizes the outcome of such discussions for the information of the Bills Committee.

2. Discussions and Outcome

- 2.1 At the request of the Hon. Chan Kwok-keung, Chairman of the Bills Committee, the Permanent Secretary for the Environment, Transport and Works (Works) met on 31 July 2003 the Hon. Chan Kwok-keung and representatives of the workers unions who appealed that the 10-year qualifying period for senior workers to seek exemption from trade test for registration as skilled workers was too long. They considered it should be reduced to 5 years. They admitted that they had previously agreed to a qualifying period of 10 years. Due to the change in economic situation, they considered that a shorter qualifying period was now necessary to address the grievances of the workers. ETWB agreed to convene a meeting with representatives from the relevant trade associations (Hong Kong Construction Association Ltd., Hong Kong E&M Contractors' Association Ltd., Real Estate Developers Association of Hong Kong) to reflect and discuss the latest views of the workers unions.
- 2.2 An informal meeting chaired by the Deputy Secretary for the Environment, Transport and Works (Works) was then held with representatives from the

relevant trade associations on 2 September 2003. While considering that a qualifying period of 10 years was a minimum requirement to ensure the skill levels of exempted workers, the trade associations agreed to meet all parties concerned to resolve the issue of qualifying period.

2.3 A “Preparatory Working Group on the Implementation of a Registration System for Construction Workers”, comprising representatives from major stakeholders in the construction industry including relevant government departments, workers unions, trade associations, training institutes and major employers, was formed in 2002 to discuss and resolve matters pertinent to the implementation of the proposed registration. Given the views and suggestions collected from the workers unions and trade associations, ETWB convened a Preparatory Working Group meeting on 30 September 2003 with all parties concerned aimed at reaching a broad consensus of view on the qualifying period. At the meeting, both the workers unions and the trade associations informed that there was no change in their positions. The Hong Kong Construction Industry Employees General Union (HKCIEGU) and the Federation of Hong Kong Electrical & Mechanical Industries Trade Unions (FHKEMITU) reiterated that a qualifying period of 5 years or 6 years should suffice for the purpose of granting exemption to senior workers. The Construction Site Workers General Union (CSWGU) expressed that they generally shared the view of the HKCIEGU. The trade associations stressed that a 10-year experience was a bottom line to ensure the skill levels of exempted workers. Mr. Y.C. Tong, Executive Director of the Construction Industry Training Authority, personally appealed to all present to consider a reduced qualifying period of 8 years, given the experience required by workers for seeking provisional registration was 6 years. The representatives of the workers unions and trade associations agreed at the meeting to give serious consideration to the proposal and would report back at the following Preparatory Working Group meeting after consulting their members.

2.4 At the 4th Preparatory Working Group meeting held on 9 October 2003, representatives from the workers unions refused to accept the proposed qualifying period of 8 years and informed that they could only accept a qualifying period of no more than 6 years citing the exemption provision for the registration of electrical workers as a reference. Noting the latest stand of the workers unions, representatives of the trade associations also advised that members of their associations were not convinced that there was justification

to relax the qualifying period. Since both parties took firm on stand, a consensus view on the qualifying period could not be reached. The views and arguments of the workers unions and the trade associations expressed at the meetings are summarized at Annex A.

3. Remarks by the Administration

This report aims to inform members of the Bills Committee of the latest stands of the workers unions and the trade associations on the proposed qualifying period for senior workers. Members may wish to note also the observations and responses of the Administration on the points and arguments expressed by the workers unions and trade associations.

21 October 2003

Arguments/Views of the Workers Unions	Arguments/Views of the Trade Associations	ETWB's Remarks
<ul style="list-style-type: none"> Did support a qualifying period of 10 years previously, but situation had changed. Because of the poor economic climate and the high unemployment rate, some construction workers had grievance against the government. It would help maintain the stability of the society if we could address the grievance of some workers by shortening the qualifying period. 	<ul style="list-style-type: none"> Original proposal for the qualifying period was 15 years and they had given way to a shorter experience of 10 years To have confidence in workers' skill level and to ensure works quality, the experience requirement should not be further relaxed and the 10-year experience requirement was a bottom line. If qualifying period was unreasonably short, it only took care of the interest of the workers who had not passed trade tests but sacrificed the interest of the whole industry. Contractors and subcontractors now employed more trade tested workers for improved quality of works. Workers without a trade test certificate would eventually be very difficult to find a job. Long-term effects on the construction industry had to be considered, particularly those causing damages for decades. If the qualifying period was too short, the industry and customers would suffer from the work of an incompetent worker which might be as long as 30 years until he retired. 	<ul style="list-style-type: none"> Concur that the qualifying period should not be too short to ensure works quality and site safety. It should have no conflicts with other provisions in the Bill. Workers with 6-year experience could obtain provisional registration and to pass trade test within 3 years. There would be a major conflict if the qualifying period was reduced to 6 years. Over 70,000 workers have now passed the trade tests for skilled or semi-skilled workers. Based on a qualifying period of 10 years, it is estimated that about 20,000 workers would obtain registration through the exemption provision and about 35,000 workers would need to attend trade tests. If the qualifying period is shortened to 6 years, it is expected that a large number of these 35,000 workers could obtain registration without going through the certification process. Exemption for senior workers(老行尊) aims to avoid the embarrassing situation where an experienced and senior worker had to undergo trade test invigilated by his former apprentice, and to recognize their contribution and long service in the construction industry. A too short qualifying period will defeat the original good intent and aims of granting exemption to senior workers. It will not fulfil the main

		<p>objectives of the Construction Workers Registration System including certification of the skill level of workers through trade testing, promotion of the quality culture in the industry, and raising the status of the construction workers. It will also not protect the interest of those workers who are in the majority and had worked hard, spent the time and effort to pass trade tests.</p>
<ul style="list-style-type: none"> Exemption provision in the registration of electrical workers should be a useful reference for the construction workers registration. Workers with experience of 6 years should be exempted from trade tests and be registered as skilled workers. 	<ul style="list-style-type: none"> Construction workers registration was a new initiative. It would not be appropriate to follow the transitional arrangements adopted in other registrations with different scope or nature and with the passage of time. 	<ul style="list-style-type: none"> The current manpower situation in the construction industry is different from that of the electrical workers registration. When the electrical workers registration was proposed, there was only a handful of workers who possessed the requisite qualification. It was necessary to adopt a less stringent exemption mechanism so that most electrical workers could continue to work in the industry.
<ul style="list-style-type: none"> Registration requirements should be lenient initially and be tightened up later on. (先寬後緊) Registered workers were required to attend short development courses every 3 years, even if a less stringent registration requirement for workers was adopted, the registered workers were still required to seek continuous improvement. 		<ul style="list-style-type: none"> The one-off provisional and transitional registration arrangements are considered reasonable arrangements to facilitate workers in obtaining registration to continue to work on construction sites, and in achieving the main objectives of improving works quality through certification of skill levels of workers. The trade tests examine the day-to-day work and skills workers of the trade commonly perform on construction site, and the average workers who have the relevant experience in the trade should pass the trade tests. According to the trade test records of CITA, the average pass rates for trade tests

		<p>of skilled and semi-skilled workers (building and civil engineering discipline) are about 68% and 81% respectively.</p> <ul style="list-style-type: none"> The development courses are not related to the workers' skill level. They cover basic safety training and provide some latest information on relevant regulations and construction practices, etc.
<ul style="list-style-type: none"> Workers should be widely and sufficiently consulted. There were not enough consultations with the workers unions and other contractors associations. Conduction of questionnaire survey at construction sites might be useful. 	<ul style="list-style-type: none"> Members of the HKCA undertook about 90% of the local construction contracts. All along, they had consulted their members on the subject matter and relayed their views in previous discussions. The president of HKCA had talked to a number of trade tested workers and they all considered that there should be no exemption for the senior workers to obtain registration. 	<ul style="list-style-type: none"> Some leaders of the workers unions advised at meetings of the Working Group on Registration of Construction Workers that they were representing the interest of the majority of workers unions and would consult other relevant workers unions and reflect their views on the proposal. CITA conducted a survey in 2001 through questionnaires to construction personnel who attended the basic safety training. Views on the proposed registration in the over 8,000 questionnaires collected were positive. In recent visits to several construction sites, ETWB interviewed quite a number of trade tested workers. Most of them considered that workers with relevant experience in the trade should have no difficulty in passing the trade tests. They considered that all skilled workers should pass the trade tests, although some would have no objection to only granting exemption to the senior

		workers (老行尊) with 10 years working experience.
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