



香港建造商會

The Hong Kong Construction Association Ltd

A member of International Federation Of Asian And Western Pacific Contractors' Associations

7 April 2004

Our Ref:



0200001609

Hon Cyd HO Sau-lan
Chairperson
Bills Committee on Buildings (Amendment) Bill 2003
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong

By Fax and Post

2332 1893

Dear *The Hon. Cyd Ho,*

Buildings (Amendment) Bill 2003

We refer to the LC Paper No. CB(1) 1054/03-04(02) issued in February 2004 by the Administration and forwarded to us for comment by Buildings Department under letter ref. (43)in L/M BD GP/BORD/A/46(IX) dated 26 February 2004 on Fines (Part II).

We note with disappointment that the revised proposals on the level of penalty for offences failed to address to our concerns and our fundamental questions as stated in our previous submission ref. 0200000920 dated 25 November 2003 of why an increase in the fines is needed in the first place? The questions of any increasing trend in the offences, or examples of existing offences of similar nature that carry such severe fines and imprisonment terms remain unanswered. Without convincing answers to the above questions, we must register again our objections to the proposed increase in the level of penalty.

However, if the Bills Committee still considers there is a need to revise the fines, we suggest to make reference to the Building Works Tender Price Index (BWTPI) compiled by the Architectural Services Department that is used as an aid to adjust building cost data. It covers more components including labour, materials, plant, overheads and profit; as compared with the Building Cost Index initially suggested by the Administration, which covers only labour and materials. It also has an advantage over the Consumer Price Index as it is directly related to the cost changes of the building construction industry. It is therefore most appropriate for the purpose. Records indicated that the BWTPI was 300 for 1979, 380 for 1981 and 723 for 2003 respectively. In other words, the BWTPI for 2003 is about 2.4 times the level of 1979 and about 1.9 times the level of 1981. Please refer to Annex 1 for details.

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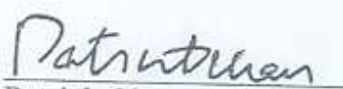
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We do hope the Members of the Bills Committee will seriously consider our proposal above.

Yours sincerely



Patrick Chan
Secretary General

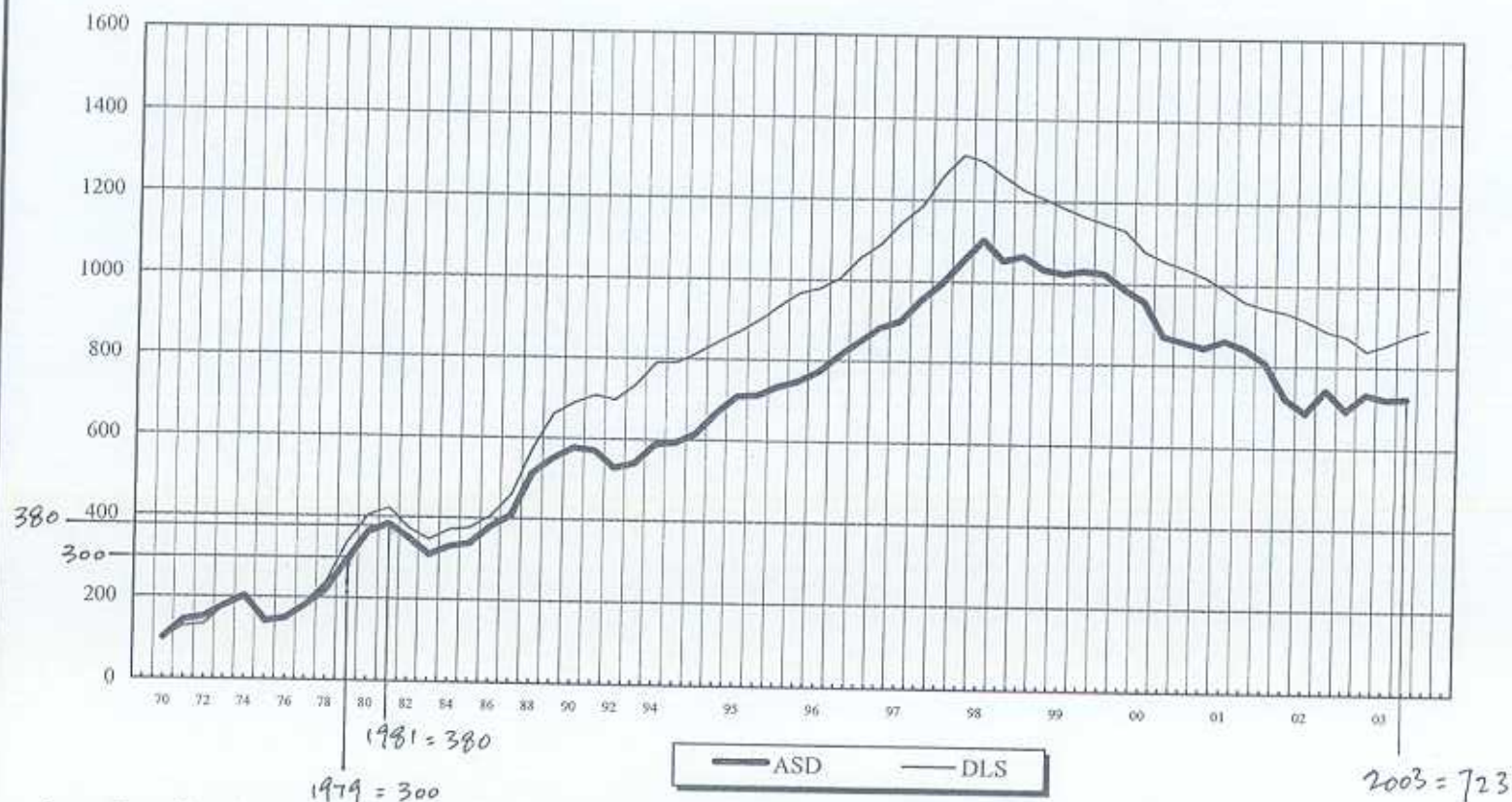
Encl.

c.c. Hon Abraham SHEK Lai-him, JP)
Ir Dr Hon Raymond HO Chung-tai, JP)
Hon Margaret NG)
Hon Audrey EU Yuet-mee, SC, JP) w/e
Mr. Marco WU, Director of Buildings)
Mr. Billy WONG, President of HKCA)

AW/mn

		INDEX	
Year	Quarter	ASD BWTPI	DLS TPI
70		300	100
94	1	586	790
	2	594	791
	3	615	814
	4	666	843
95	1	708	870
	2	712	900
	3	733	935
	4	747	968
96	1	772	980
	2	813	1006
	3	848	1057
	4	885	1091
97	1	902	1145
	2	953	1185
	3	996	1260
	4	1051	1310
98	1	1103	1295
	2	1054	1259
	3	1065	1227
	4	1034	1207
99	1	1024	1185
	2	1031	1164
	3	1025	1148
	4	989	1130
00	1	959	1079
	2	873	1057
	3	858	1040
	4	844	1020
01	1	862	990
	2	842	960
	3	807	945
	4	721	935
02	1	687	915
	2	742	890
	3	692	875
	4	733	840
03	1	720	855
	2	723	878
	3	723	895

GENERAL TREND OF BUILDING WORKS TENDER PRICES IN HONG KONG (Includes labour, materials, plant, overheads & profit)



Source: Competitive tenders received by Davis Langdon & Seah Hong Kong and the ASD Building Works Tender Price Index (BWTPI)

Note: The index measures the trend of general builder's works only. Special works and Mechanical and Electrical Services would have to be considered separately.

ASD Building Works Tender Price Index Increase

From 1979 to 2003 = $723/300 = 2.4$ times

From 1981 to 2003 = $723/380 = 1.9$ times

Source : www.dlshk.com/cost_data/gene-bp.pdf