

**Administration's Responses to the submission from the  
Hong Kong Construction Association (HKCA)**

HKCA's Concerns on the Proposed Amendments	Administration's Responses
<p>1. Definition of "construction operations" –</p> <p>HKCA requests:</p> <p>(i) sufficient promulgation to the industry of widened scope so that stakeholders are aware of its implications; and</p> <p>(ii) the drafting of the definition of "construction operations" in Schedule 1 of the Bill must be clear to avoid uncertainties that may lead to arguments on the interpretation.</p>	<ul style="list-style-type: none"> <li>• Once the Bill is enacted, CITA will issue a letter to all stakeholders explaining the widened scope of the definition of "construction operations" and the new operational arrangement for the collection of the E&amp;M levy. In addition, CITA will man a hotline for telephone enquiries and arrange briefing sessions as necessary. The relevant information will also be promulgated in CITA's website.</li> <li>• The current definition of "construction operations" under Schedule 1 of the Bill is adopted from the UK law "Construction, Housing Grants, Construction and Regeneration Act 1996" and clearly sets out the scope of the leviable construction activities. We have widely consulted major stakeholders in the construction industry who have endorsed the adoption of the definition. It is better than the current definition of "construction works" as it has provided a comprehensive list of leviable activities which would help avoid uncertainties and ambiguities.</li> </ul>
<p>2. Composition of the CITA Board –</p> <p>(i) HKCA considers that definition of "from the</p>	<ul style="list-style-type: none"> <li>• The intention is to appoint a person who possesses a good</li> </ul>

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<p>construction industry” under the newly proposed section 7(1)(j) needs to be clarified with the selection criteria properly lay down.</p>	<p>understanding and is connected to or engaged in the activities of the construction industry. Section 7(1)(j) has given us the flexibility to appoint such a person from the industry other than those appointed under other paragraphs of section 7(1).</p> <ul style="list-style-type: none"> <li>• In response to a proposal from Members of the Bills Committee, we intend to designate a seat for a representative of an E&amp;M trade union and correspondingly reduce the number of members appointed under section 7(1)(j) from two to one.</li> </ul>
<p>3. Amendments to the Pneumoconiosis (Compensation) Ordinance (PCO)</p> <p>(i) HKCA asked for justifications for the extension of the levy to E&amp;M works under PCO.</p>	<ul style="list-style-type: none"> <li>• PCO was enacted in 1980 and has since adopted the same definition of “construction works” under the Industrial Training (Construction Industry) Ordinance (ITCIO) with a view to simplifying the administrative work for contractors in submitting levy assessment documents to the Pneumoconiosis Compensation Fund Board (PCFB) and CITA. With the widened scope of the definition of “construction operations” under ITCIO, it will be necessary to introduce corresponding amendments to PCO. As E&amp;M works will fall under the definition of construction operations, it will, as with all other leviable construction activities, be subjected to the levy under PCO.</li> <li>• HKEMCA agrees to the proposed corresponding</li> </ul>

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	<p>amendments to PCO. The corresponding amendments to PCO also have the unanimous support of PCFB, whose members include representatives from HKCA and the Labour Advisory Board.</p>
<p>4. Timing for Implementation</p> <p>(i) HKCA requested sufficient lead time for the proper promulgation of the new legislation. Contracts with tenders submitted before the commencement of this Bill shall not be affected by the Bill.</p>	<ul style="list-style-type: none"> <li>• Sufficient lead time will be provided for the proper promulgation of the new legislation. The transitional provisions in the Bill have already specified that construction contracts with tenders submitted before the commencement of the Bill will not be affected by the new legislation.</li> </ul>
<p>5. Other Observations</p> <p>(i) HKCA observed that the current drafting of several provisions were unclear and hence refinements were necessary.</p>	<ul style="list-style-type: none"> <li>• We welcome HKCA's comments on the drafting of specific provisions. We will certainly study these comments in detail and if refinements are necessary to improve the clarity of any provisions, we will propose Committee Stage Amendments to do so.</li> </ul>