

LC Paper No. CB(2)32/03-04(01)**Construction Industry Levy (Miscellaneous Amendments) Bill 2003**  
**Submission to LegCo Bills Committee by HKCA**Introduction

The HKCA supports the proposals to extend the existing construction industry levy to cover electrical and mechanical (E&M) works in the construction industry and use the income to provide expanded training courses and trade tests for E&M workers. It would like the Bill to be promulgated as soon as possible so that proposed changes can be implemented at the quickest time. As the skills required for the E&M works have become more complex and specialized, it is envisaged that the expanded training and trade tests will enhance the quality, productivity and safety in the industry benefiting the society at large. At the same time, the training and trade tests provided to the E&M workers can fulfill the registration requirements of the proposed Construction Workers Registration System and facilitate its full implementation.

The HKCA, however, would offer the following suggestions of improvement to the Bill, which aims at making its intention clearer and its implementation easier.

HKCA concerns on the proposed amendments

## 1. Definition of "Construction Operations"

The new definition now extends to cover E&M works, maintenance and demolitions, painting and decorating of buildings, design and consultation work incidental to construction operations that are previously exempted from the Levy Scheme. The HKCA requests the Authority to provide sufficient promulgations to the industry of the widened scope so that stakeholders are well aware of its implications. The drafting of the definition in Schedule 1 must be clear to avoid uncertainties that may lead to arguments on the interpretation.

## 2. Composition of the CITA Board

The HKCA notes the following changes in the CITA Board are proposed in Section 7(1):

- the 2 persons nominated by the Building and Civil Engineering Industry Training Board are to be replaced by 2 persons from the construction industry,
- the 2 persons nominated by the Hong Kong Institution of Engineers is to be reduced to 1,
- 1 person nominated by the Hong Kong E&M Contractors' Association

Limited is added, and

- the 1 person, not being a public officer or connected with the organizations is replaced by a member of the academic staff of a university in Hong Kong.

While the HKCA has no particular objections to the proposed changes and agree it is sensible to include representatives from the E&M sector and academic field, it considers that definition of "from the construction industry" needs to be clarified with the selection criteria properly lay down.

### 3. Amendments to the Pneumoconiosis (Compensation) Ordinance

The HKCA notes that Part Two of the Bill makes amendments to change the basis of the construction industry levy to value of construction operations with the new definition. As all workers, irrespective of their occupations, are being covered under the PCO, there will be no extra burden imposed and the number of patients will not increase due to the inclusion of E&M, demolition and decorating works. No commercial justification has been provided and the HKCA suggests this to be reviewed by the Bills Committee.

### 4. Timing for Implementation

The HKCA requests that sufficient lead-time to be allowed for the proper promulgation before the actual implementation of the Amendments. Contracts with tenders submitted before the commencement of this Amendments Bill shall not be affected by the Amendments.

### 5. Other Observations

The HKCA observed that the proposed drafting to the assessment of the value of the construction operations in Section 2A, the person who is liable to pay the levy in Sections 2(2) and 2(3), definition of when " a person shall be regarded as a person who occupies or owns a domestic premises" in Section 3A(5)(b) are not exactly clear and suggest refinements be made to avoid future arguments.

It is also suggested that Part 3 of the Bill to include amendments to repeal "Crown" wherever it appears and substitute the same with "the Government".

Thank you.

The Hong Kong Construction Association

HKCA/26 September 2003