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21<sup>st</sup> April, 2006

Hon KWONG Chi-kin  
Chairman, Bills Committee on  
Construction Industry Council (No.2) Bill  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong

Dear Honourable Mr Kwong,

**Transitional Arrangement for Establishment  
of the Construction Industry Council**

I am writing on behalf of the Provisional Construction Industry Co-ordination Board (PCICB) to outline some transitional arrangements for establishment of the Construction Industry Council (CIC).

First of all, let me reiterate that there is an explicit provision in the CIC (No.2) Bill stating beyond doubt that no adverse impact would be caused on serving staff of the Construction Industry Training Authority (CITA). In the collective view of PCICB, this constitutes an effective safeguard and offers ample assurance for those who have a long-term career in mind.

The industry recognizes that this important exercise must be done in a sensitive and seamless manner – it is for this reason that staff unions have played an active part throughout the planning and execution process. Although the financial outlook of CITA has improved after introduction of a voluntary exit scheme, the annual operating deficit reminds us all of our commitment to strive for enhanced productivity and open up new revenue streams by devising training courses that fit with prevailing needs.

In the interest of a smooth transition and to achieve these goals, therefore, we are prepared to pledge that no major organizational changes or staff retrenchment would arise from budgetary reasons after the Bill is enacted and within two years upon the setting up of CIC. This in turn presents a window of opportunity for us to review the development strategy and future positioning of CITA under the new institutional setup.

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Apart from the manpower perspective, a preparatory committee has already been formed by PCICB to deliberate on practical issues affecting the amalgamation. We will provide you with its work plan separately through the PCICB Secretariat and look forward to an early conclusion of the legislative scrutiny process.

Yours sincerely,

Keith Kerr  
Chairman  
Provisional Construction Industry Co-ordination Board

c.c. Secretary for Environment, Transport and Works  
(Attn: Mr Clement Cheung)

Secretary for Education and Manpower  
(Attn: Miss Vicky Cheung)

Chairman, Construction Industry Training Authority