

**Submission of
the Construction Industry Training Authority
to the Bills Committee on
Construction Industry Council (No.2) Bill**

1. Section 9 Composition of Construction Industry Council (CIC) and Section 2 of Schedule 3 on Composition, meetings and proceedings of the Construction Industry Training Board (CITB)

It was observed from the Bill that the various professional institutions and trade associations would not be invited to submit nominations to serve on the CIC or CITB. This Authority is of the view that the “less restrictive model” proposed to be adopted might not be the best means to bring benefits to the community and the construction industry. This Authority is worried that without direct participation as representatives of the profession or trade association, these well-established institutions would not be able to contribute their views and suggestions to the government. This Authority fully supports the government’s initiative to establish the CIC to enhance the overall efficiency, productivity, quality and performance of the industry, the success of which would surely hinge on the contribution of the well-established institutions. CITA Board Members nominated by the HKCA, HKIA, HKIE and HKIS hold a strong view that persons representing the relevant sectors should be nominated by the respective trade associations or professional bodies to serve on the CIC and CITB, instead of appointment on ad personam basis.

2. Section 22 of Part 2 Provision of funds by CITA

This section stipulates that the Secretary for Environment, Transport and Works may request CITA to provide funds as are necessary to meet expenses reasonably incurred by the CIC, if Parts 5 and 9 come into operation on a date after the day of commencement of this Part. The majority of CITA Board Members consider that set-up funds should be provided by the Administration for the CIC, or an interest-free loan should be made available for this purpose. They took the view that the levy collected under Cap 317 is for training and trade-testing and should not be deployed for other purposes. The big drop in the value of construction operations subject to levy since the year 2002 means that the levy which could be collected in the next 5 years will fall significantly and would not be able to sustain the current operations of CITA, not to mention the expenses to be incurred

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by the Secretariat of the Council and its other functions. The Estimated Value of Works Commenced as reported by contractors from 1995 to present are given in Appendix A. CITA Board Members consider that pragmatic agreement/arrangement on finance should be worked out early to ensure that the provisions of training and trade-testing service to the industry would not be adversely affected. Such financial agreement or arrangements are of great significance to CITA in formulating its corporate strategy in the short to medium term.

3. Part 5 Levy
Part 8 Section 61 Provision of Information

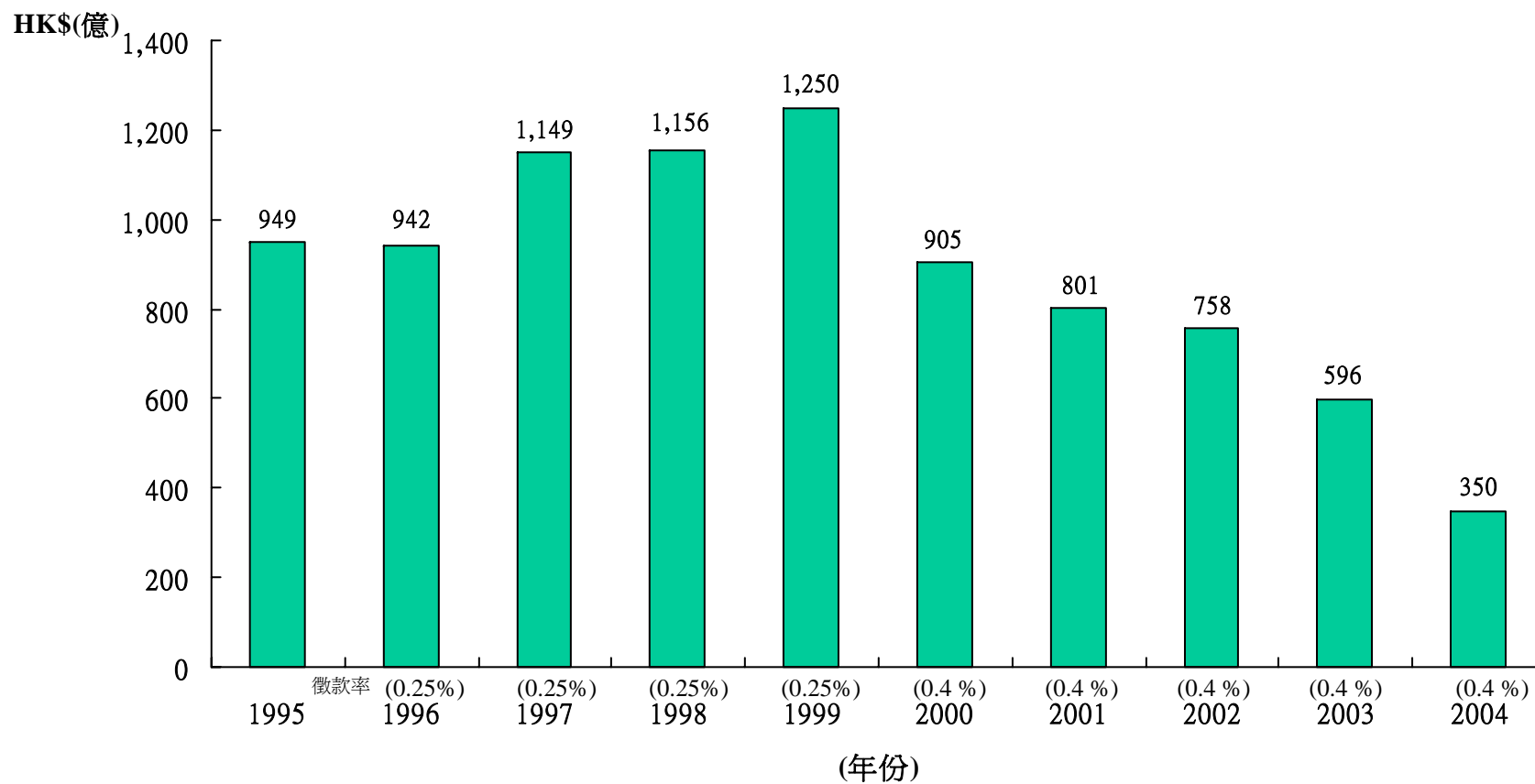
CITA Members opine that this section should be strengthened to require the relevant government departments (including the Buildings Department, Fire Services Department, Police Department and Electrical and Mechanical Services Department) and utility companies (CLP Power HK Ltd. and Hong Kong Electric Co. Ltd.) to provide the relevant information relating to E & M works in order that works subject to levy imposed under Part 5 of the Bill could be traced. Up to date, almost six months after the Construction Industry Levy (Miscellaneous Amendments) Ordinance came into operation on 1st June 2004, a total of only 4 cases of E&M works were made available to CITA for levy assessment purposes. CITA Members therefore proposed the addition of a Part 3 under Schedule 4 to require the above departments or utility companies to provide information to facilitate the collection of levy. Otherwise, the main source of income could not be trawled.

4. Part 9 Clause 82 – Continuance of Employment

CITA Members fully support this clause. The Board believes that the assurance of continued employment of the existing staff of CITA on the same terms and conditions will be crucial to the retention of competent and experienced staff for maintaining uninterrupted construction training and trade testing service to the community.

承建商申報開工之工程估計價值

(Estimated Value of Works Commenced as Reported by Contractors)



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