# 臨時建造業統籌委員會

### **Provisional Construction Industry Co-ordination Board**

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30<sup>th</sup> November 2004

Clerk to Bills Committee Legislative Council Secretariat 3/F Citibank Tower 3 Garden Road Hong Kong (Fax: 2869-6754)

Attn.: Ms. Sarah Yuen

Dear Ms. Yuen,

#### Construction Industry Council (No.2) Bill

I am writing in my capacity as Chairman of the Provisional Construction Industry Co-ordination Board (PCICB) in response to your call for public submissions on the Construction Industry Council (No.2) Bill (the Bill) being scrutinized by the Legislative Council (LegCo).

Establishment of the Construction Industry Council (CIC) features prominently among the 109 recommendations made by the Construction Industry Review Committee (CIRC) and is backed by overwhelming support from the industry. To this end, PCICB has played its part by drawing up a draft legal framework for submission to the Government after conducting an extensive industry consultation exercise and has formally endorsed the draft Bill which is now before LegCo.

There are, however, a number of points I would like to bring to your attention:

- 1. The need for a flexible structure to be able to adapt to future changes in the industry was considered to be of paramount importance by the Board. This is an underlying philosophy to the draft legislation and we trust that the Bills Committee will review the Bill in this light.
- 2. Although there is a general consensus on the overriding need for CIC, I am also aware there are diverging views on its statutory powers. These were thoroughly debated in the formulation of the draft legal framework and the PCICB firmly believe that the present mix of powers as proposed in the Bill are essential for CIC to effectively discharge its proposed role as an umbrella organisation for the construction industry in Hong Kong. Whilst the notion of adding specific provisions to the Bill to control various industry practices such as subcontracting and wage payments might seem superficially attractive, I would strongly advise against this course of action which may create many legal complications, impose unnecessary restrictions and create uncertainty in enforcement. It is essential for the industry itself, under the guidance of the CIC, to address this problem squarely, but this cannot be done by restrictive formulations.

Secretariat: 21/F, Murray Building, Garden Road, Central, Hong Kong

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3. On the question of the composition of CIC, this was again thoroughly debated by PCICB itself before finally confirming the clearly preferred choice of the flexible model based on appointees serving in their personal capacities. We acknowledge the appealling simplicity of a prescriptive approach whereby professional bodies and trade associations are allowed to nominate their own candidates, and are aware that some bodies are advocating this course; however, we believe that this formulaic approach is not in the overall interest of the industry as it automatically requires many other industry related organisations to be excluded from participation, narrows down the scope of representation and indeed does not necessarily ensure the appropriate energy and enthusiasm required of future CIC members. By way of illustration I am attaching a list of 59 organisations which are related to the field of property development and construction.

That said, it is acknowledged that it may be worthwhile exploring the flexibility of providing for a systematic method of consultation before appointments are confirmed although this is probably best avoided within the necessary strictures of legislation.

4. Finally, an amalgamation between CIC and the Construction Industry Training Authority (CITA) is intended to subsume the levying mechanism and statutory functions of the latter under a new institutional arrangement. There is every intention to achieve a smooth transition with minimum disruption to the governance structure of CITA or employment conditions of its serving staff.

Over the past three years, PCICB has continually tried to tackle various long-standing problems in the industry and achieved notable progress on a few major fronts, as summarised in the information paper provided to the Bills Committee. An early passage of the Bill will provide us with a clear mandate to expand our work beyond the current ambit and contribute more substantially towards raising the competitiveness of the local construction industry.

I look forward to presenting my views in person to the Bills Committee at its meeting on 2<sup>nd</sup> December, 2004.

Yours sincerely,

Keith Kerr Chairman

Provisional Construction Industry Co-ordination Board

Encl.

#### A. Organizations related to property development and construction:

Air Conditioning & Refrigeration Association of Hong Kong (ACRA)

Asian Institute of Intelligent Buildings (AIIB)

Association for Project Management (APM) - Hong Kong Branch

Association of Consulting Engineers of Hong Kong (ACEHK)

Association of Registered Fire Services Installation Contractors of Hong Kong (FSICA)

Building Services Operation and Maintenance Executives Society (BSOMES)

Chartered Institute of Housing (Asian Pacific Branch)

Chartered Institute of Water and Environmental Management (CIWEM) - Hong Kong Branch

Chartered Institution of Building Services Engineers (CIBSE) - Hong Kong Branch

Construction Industry Institute Hong Kong (CII)

Contractor's Authorised Signatory Association

**Environmental Contractors Management Association (ECMA)** 

**HK-BEAM Society** 

Hong Kong Association of Property Management Companies (HKAPMC)

Hong Kong Construction Industry Employees General Union (HKCIEGU)

Hong Kong Construction Innovation Committee (HKCI)

Hong Kong Construction Sub-contractors Association Ltd (HKCSA)

Hong Kong Electrical & Mechanical Contractors' Association (HKEMCA)

Hong Kong Electrical & Mechanical Management & Professional Association

Hong Kong Electrical Contractors' Association Ltd. (HKECA)

Hong Kong Federation of Electrical and Mechanical Contractors (HKFEMC)

Hong Kong General Building Contractors Association Ltd (HKGBCA)

Hong Kong Institute of Building (HK10B)

Hong Kong Institute of Clerks of Works (HKICW)

Hong Kong Institute of Construction Managers (HKICM) (formerly known as Hong Kong Institute of Builders)

Hong Kong Institute of Engineering Surveyors (HKIES)

Hong Kong Institute of Planners (HKIP)

Hong Kong Interior Design Association

Hong Kong Plumbing & Sanitary Ware Trade Association (HKPSWTA)

Institute of Maintenance and Building Management (IMBM) - Hong Kong Branch

Institute of Quarrying - Hong Kong Branch

Institution of Civil Engineers (ICE)

Institution of Engineers, Australia (IEAust) - Hong Kong Chapter

Institution of Fire Engineers - Hong Kong Branch

Institution of Mechanical Engineers, Hong Kong Branch

International Association of Elevator Engineers - HK-China Branch

Lift and Escalator Contractors Association (LECA)

Professional Green Building Council (PGBC)

Registered Elevator and Escalator Contractors Association (REECA)

The American Institute of Architects Hong Kong Chapter

The Association of Architectural Practices Ltd. (AAP)

The Chartered Institute of Building (Hong Kong)

The Chartered Institute of Logistics and Transport in Hong Kong (CILTHK) (formerly known as CITHK)

The Hong Kong Construction Association Ltd (HKCA)

The Hong Kong Construction Innovation Committee

The Hong Kong Institute of Architects (HKIA)

The Hong Kong Institute of Facility Management (HKIFM)

The Hong Kong Institute of Housing (HKIH)

The Hong Kong Institute of Land Administration (HKILA)

The Hong Kong Institute of Landscape Architects (HKILA)

The Hong Kong Institute of Real Estate (HKIR)

The Hong Kong Institute of Real Estate Administration (HIREA)

The Hong Kong Institute of Surveyors (HKIS)

The Hong Kong Institution of Engineers (HKIE)

The Institute of Electrical and Electronic Engineers, Inc - Hong Kong Section (IEEE-HK)

The Institution of Electrical Engineers - Hong Kong Centre (IEE-HK)

The International Facility Management Association - Hong Kong Chapter

The Real Estate Developers Association of Hong Kong (REDA)

The Royal Institution of Chartered Surveyors (RICS) - Hong Kong Chapter

Total: 59