



香港工程師學會

**THE HONG KONG INSTITUTION OF ENGINEERS**

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**CB(1) 374/04-05(02)**

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26 November 2004

Clerk to the Bills Committee  
Legislative Council Secretariat  
3<sup>rd</sup> Floor Citibank Tower  
3 Garden Road  
Central  
Hong Kong

Dear Sirs

**LegCo Bills Committee on Construction Industry Council (No 2) Bill  
Invitation for submissions**

Thank you for your letter of 8 November 2004 inviting us to give views on the captioned subject and to attend the meetings in early December 2004.

*Imposition of levy*

In general, the Hong Kong Institution of Engineers (HKIE) does not oppose the imposition of the Construction Industry Levy for the construction operations as specified in the Bill. Noting that a levy at the rate of 0.4% is to be imposed in respect of construction operations carried out in Hong Kong with the total value exceeding HKD1,000,000, we would like to pose our concern on the provisions of the fund as recovered by the way of levy. We urge the Administration to ensure that such fund be spent intensively on the implementation of the functions of the CIC for the benefits of the construction industry.

In addition, apart from the proposed Construction Industry Levy, there are some other levies and costs imposed on the construction operations in Hong Kong including the cost for Pneumoconiosis Diseases, the Employee Compensation Insurance premium, the supervision costs and the proposed charge for the C&D waste disposal and etc. And hence it makes the aggregate statutory levy higher than the amount of levy as adopted by other cities in the South East Asia. In this connection, we consider it essential to carry out a thorough series of consultation sessions within the industry should the Construction Industry Levy be increased in future.

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*Composition of the CIC and CITB*

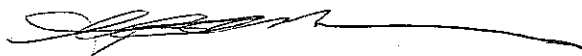
Taking due note of the provisions of the Bill, the HKIE consents to the view that the Construction Industry Council (CIC) will serve as a focal point for the construction industry by spurring reform initiatives and tightening collaboration within the industry. To safeguard such a purpose, the HKIE would like to point out again that a thoroughgoing representation from the construction-related professional institutions and key trade associations in the composition of the CIC will manifestly better serve the long-term interest of the industry than the current proposed appointment system where members are to be appointed on the basis of their personal capacities. Hence, the HKIE, as a professional body representing a huge number of members involving in different fields of the construction industry and mid-stream supervisory personnel / technologist, continues throughout to restate the proposal of an official representation of two representatives in the CIC.

In addition, as given to understand that the CITA will be dissolved and subsumed under CIC as a committee named as the Construction Industry Training Board (CITB), we would like to suggest that the appointment system for the composition of the CITB shall be similar to the spirit of the arrangement of the CITA where two members are to be nominated for appointment by the HKIE.

We trust that our proposed arrangements of the appointment system for the CIC and the CITB will stand at the broadest representation from the construction industry.

As a statutory professional body for qualifying engineers in Hong Kong, the HKIE welcomes the opportunity to provide our views to the Government on areas where we have expert and professional knowledge and is obliged to work closely on contributing to building up an integrated construction industry that is capable of continuous improvement towards excellence.

Yours sincerely



Ir James Y C KWAN  
President