

**立法會**  
**Legislative Council**

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**Panel on Development**

**Meeting on 28 June 2011**

**Background brief on  
amalgamation of the Construction Industry Council and  
the Construction Workers Registration Authority**

**Purpose**

This paper provides background information on the Administration's proposal to amalgamate the Construction Industry Council ("CIC") and the Construction Workers Registration Authority ("CWRA"), and the views and concerns expressed by members of the Panel on Development ("the Panel") during past discussions on the subject.

**Background**

Establishment of CIC and CWRA

2. In January 2001, the Construction Industry Review Committee completed a comprehensive review of the state of the local construction industry and recommended, among others, the setting up of a statutory industry co-ordinating body to establish a better focus on pan-industry strategic issues in achieving continuous improvement across the industry. The Committee also supported in principle the implementation of a worker registration scheme through legislative means proposed by the then Construction Advisory Board.

3. The Construction Workers Registration Ordinance (Cap. 583) ("CWRO") and the Construction Industry Council Ordinance (Cap. 587) ("CICO") were enacted in July 2004 and May 2006 respectively. Under

the two ordinances, two statutory bodies, CWRA and CIC, were established on 18 September 2004 and 1 February 2007 respectively.

### Work of CIC and CWRA

4. CIC was amalgamated with the Construction Industry Training Authority on 1 January 2008. The main functions of CIC are to forge consensus on long-term strategic issues, convey the industry's needs and aspirations to the Administration, and to provide a communication channel for the Administration to solicit advice on all construction-related matters. To propagate improvements across the entire industry, CIC is empowered to formulate codes of conduct, administer registration and rating schemes, steer forward research and manpower development, facilitate adoption of construction standards, promote good practices and compile performance indicators.

5. The major work of CWRA is to implement the mandatory registration system for construction workers to ensure their quality through assessment and certification of their skill levels. To give construction workers, contractors and other concerned parties sufficient time to gradually adapt to the workers registration system, CWRA has proceeded with the control regime in phases. CWRA started the registration of construction workers on 29 December 2005. Phase One Prohibition under CWRO came into operation on 1 September 2007. Starting from that date, unregistered construction workers are prohibited from carrying out construction work at construction sites. Employers are also prohibited from employing unregistered construction workers. As at 21 May 2011, there were about 272 000 registered construction workers. Some 167 000 of them are registered as skilled/skilled (provisional) or semi-skilled/semi-skilled (provisional) workers for designated trades at their own initiative<sup>1</sup> in anticipation of the implementation of Phase Two Prohibition which prohibits workers from undertaking construction works except those trades they are registered for.

### **Proposal to amalgamate CIC and CWRA**

#### Organizational streamlining

6. At the meeting of the Panel on 23 November 2010, the Administration updated the Panel on the work of CWRA and CIC, and

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<sup>1</sup> Source of information: The website of CWRA.

advised that legislative amendments would be proposed to CICO and CWRO, including the proposal of placing CWRA within CIC. According to the Administration, the proposed amalgamation is an organizational streamlining initiative for improving the operational efficiency of CIC and the construction workers registration system in the following aspects --

- (a) establishment of a single statutory body for the industry;
- (b) ensuring consistent policy and priority setting for the industry;
- (c) enhancement of administrative and operational efficiency;
- (d) elimination of ambiguity in demarcation of responsibilities; and
- (e) achieving more effective deployment of resources and sharing of information.

7. The Administration further advised that there had been close collaboration between CIC and CWRA. CIC has been extensively involved in the following administrative responsibilities related to the registration of construction workers in support of CWRA --

- (a) performing the role of Registrar of Construction Workers;
- (b) collecting levy on behalf of CWRA;
- (c) setting the trade qualification standards of the construction workforce;
- (d) offering training courses for provisionally registered construction workers; and
- (e) providing office accommodation for CWRA secretariat.

#### Merging of construction-related cards

8. At present, construction workers need to carry with them different types of construction-related cards/certificates to meet statutory and/or contractual requirements. Industry practitioners have requested the Administration to merge these construction-related cards/certificates so that workers need only to carry one card containing all the necessary data with them. The Administration advised that upon the proposed organizational refinement, there would be wider room to merge the cards/certificates

issued by CIC with the construction workers registration cards through the sharing of workers' training and registration records.

### Amendments to CICO and CWRO

9. The proposed amalgamation of CIC and CWRA will require amendments to the CICO and the CWRO. Furthermore, the Administration proposed at the Panel meeting on 23 November 2011 to make other necessary amendments to address the following issues --

(a) *Phase Two Prohibition* -- Following a recent review and consultations with industry stakeholders, the Administration concluded that it would be necessary to consider legislative amendments to CWRO before implementing Phase Two Prohibition. The main problems that need to be tackled include the anticipated difficulties for minor works practitioners to fully comply with the requirements of CWRO under Phase Two Prohibition, difficulties encountered by workers practising maintenance and sundry works to register under CWRO and small scale ancillary works need to be undertaken by skilled/semi-skilled workers of designated trades.

(b) *Administrative procedures laid down in CICO and CWRO are too restrictive* -- Currently, workers can only apply for renewal of their registration not earlier than three months before and not later than seven business days before the expiry of their registration under CWRO. CIC cannot delegate its power of entering into contracts or assignments to its employees irrespective of their value and so contracts of very minor and routine nature still require the direct approval of CIC.

### **Discussions at the Panel**

10. At the briefing on the proposal to amalgamate CIC and CWRA at the Panel meeting on 23 November 2010, while members were supportive to the organizational streamlining of the two statutory bodies to improve operational efficiency and service performance, they expressed the following views and concerns --

*Enhancing the interest of construction workers*

- (a) The Administration should fully consult the relevant labour unions when drafting the legislative amendments;
- (b) The number of representatives from labour unions and workers at CIC should be increased after the amalgamation;
- (c) The new organisation should provide one-stop services for construction workers' registration, merge the various construction-related cards into one, waive or greatly reduce the registration and card fees, and reduce the fees of training courses and trade tests;

*Staffing arrangements*

- (d) Transitional staffing arrangements should be formulated and statutory rights of existing employees should be duly protected during the amalgamation;

*Monitoring of the new organization*

- (e) As the new organization would be the single regulatory body for the construction industry with centralised power for licensing, enforcement, registration, testing and training, there should be a proper mechanism for monitoring its work and handling complaints;

*Other concerns*

- (f) The legislative amendments on registration of different categories of works by workers should be included in the principal legislation, instead of the subsidiary legislation, so as to facilitate the monitoring of the Legislative Council of future changes; and
- (g) Under the new organization, there should be distinct functions for the units and clear division of work.

11. The Administration advised that it would conduct consultation with the construction industry on the proposed amalgamation and legislative amendments. It also took note of members' views.

### **Recent development**

12. The Administration will update the Panel on 28 June 2011 on the progress of the preparatory work for the proposed amalgamation of CIC with CWRA.

### **Relevant papers**

13. A list of the relevant papers with their hyperlinks in the Legislative Council website is at the **Appendix**.

Council Business Division 1  
Legislative Council Secretariat  
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**Amalgamation of the Construction Industry Council and the Construction Workers Registration Authority****List of relevant papers**

<b>Council/ Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Development	23 November 2010	Administration's paper -- An update on the work of the Construction Industry Council and the Construction Workers Registration Authority and the way ahead (LC Paper No. CB(1)467/10-11(03)) <a href="http://www.legco.gov.hk/yr10-11/english/panels/dev/papers/dev1123cb1-467-3-e.pdf">http://www.legco.gov.hk/yr10-11/english/panels/dev/papers/dev1123cb1-467-3-e.pdf</a>  Minutes of meeting (LC Paper No. CB(1)1053/10-11) <a href="http://www.legco.gov.hk/yr10-11/english/panels/dev/minutes/dev20101123.pdf">http://www.legco.gov.hk/yr10-11/english/panels/dev/minutes/dev20101123.pdf</a>