### 立法會 Legislative Council

LC Paper No. CB(1)2630/11-12 (These minutes have been seen by the Administration)

Ref: CB1/BC/3/11

## Bills Committee on Construction Industry Legislation (Miscellaneous Amendments) Bill 2012

Minutes of the second meeting held on Saturday, 5 May 2012, at 8:30 am in Conference Room 2 of the Legislative Council Complex

**Members present**: Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP

(Chairman)

Hon LI Fung-ying, SBS, JP

Hon Cyd HO Sau-lan Hon WONG Sing-chi Hon IP Wai-ming, MH

Hon IP Kwok-him, GBS, JP Hon Alan LEONG Kah-kit, SC

**Members absent**: Hon Abraham SHEK Lai-him, SBS, JP

Hon CHEUNG Hok-ming, GBS, JP

Dr Hon PAN Pey-chyou

Public officers attending

: Agenda Item I

Miss Charmaine WONG Hoi-wan

Principal Assistant Secretary for Development

(Works)1

Mr LAU Chun-kit

Chief Assistant Secretary for Development

(Works)6

Mr NGAI Hon-wah

Assistant Secretary for Development (Works Policies)8

Mr George MAK Kin-ming

Assistant Secretary for Development (Works Policies )10

## Attendance by invitation

#### : Agenda item I

**Construction Industry Council** 

Mr Christopher TO Executive Director

Miss Cheryl IP Senior Manager

<u>Hong Kong Construction Sub-contractors</u> Association Limited

Mr CHAN Kim-kwong Chairman

Mr Eric TSE

**Honorary President** 

H.K. General Building Contractors Association Ltd

Mr Anthony CHAN Yiu-tung

President

<u>Hong Kong Construction Industry Employees</u> <u>General Union</u>

Mr NG Kwok-kwan Vice Chairman

Mr CHAU Luen-man

Registered Minor Works Contractor (Individual and Authorized Signatory) Employees Association Vice Chairman <u>The Federation of Hong Kong Electrical and</u> Mechanical Industries Trade Union

Mr CHAN Chi-him Vice Chairman

Mr KWONG Man-fung Secretary

<u>Hong Kong General Union of Lift and Escalator</u> <u>Employees</u>

Mr LEE Ching-shan Secretary

Construction Industry Council Staff General Union

Mr CHAN Chi-keung Manager

Ms Ruby WONG Wai-yi Supervisor (權益主任)

**Clerk in attendance:** Ms Joanne MAK

Chief Council Secretary (1)2

**Staff in attendance**: Ms Clara TAM

Assistant Legal Adviser 9

Mr Simon CHEUNG

Senior Council Secretary (1)9

Miss Rita YUNG

Council Secretary (1)3

Miss Iris CHEUNG

Legislative Assistant (1)7

<u>Action</u>

#### I. Meeting with deputations and the Administration

(LC Paper No. CB(3)510/11-12 -- The Bill

Action - 4 -

File Ref: DEV	YB(CR)W1-10/31		 Legislative Council Brief issued by Development Bureau
LC Paper No.	LS39/11-12		 Legal Service Division Report
LC Paper No.	CB(1)1556/11-12	(01)	 Marked-up copy of the Bill prepared by the Legal Service Division
LC Paper No.	CB(1)1756/11-12	(04)	 List of follow-up actions arising from the discussion at the meeting on 13 April 2012
LC Paper No.	CB(1)1756/11-12	(05)	 Administration's response to issues raised at the meeting on 13 April 2012
LC Paper No.	CB(1)1774/11-12	(02)	 Letter dated 3 May 2012 from Assistant Legal Adviser to the Administration
LC CB(1)1756/11	•	No.	 Submission from Hong Kong Construction Industry Employees General Union
LC CB(1)1756/11	Paper -12(02)	No.	 Submission from Construction Workers Registration Authority Staff Side
LC CB(1)1756/11	Paper -12(03)	No.	 Submission from Resident Site Staff Association
LC CB(1)1774/11	Paper -12(01)	No.	 Submission from Construction Workers Registration Authority
LC CB(1)1789/11	Paper -12(01)	No.	 Submission from the Federation of Hong Kong Electrical and Mechanical Industries Trade Unions
LC CB(1)1789/11	Paper -12(02)	No.	 Submission from Construction Industry Council Staff General Union)

Action - 5 -

<u>The Bills Committee</u> received views from the seven deputations attending the meeting (Index of proceedings attached at **Appendix**).

- 2. <u>The Bills Committee</u> noted the following major views expressed by deputations
  - (a) <u>Staffing arrangements upon amalgamation of Construction Industry</u> <u>Council and Construction Workers Registration Authority</u>

Representatives of the Construction Industry Council ("CIC") Staff General Union advised that in the previous exercise of the amalgamation of CIC and the Construction Industry Training Authority ("CITA"), CIC had failed to honour their undertakings and unilaterally changed the conditions of service of the then serving staff, thereby causing a severe blow to staff morale. They were particularly worried about the measures to protect the interests of serving staff. In view of the staff's concern, members requested that, in the forthcoming amalgamation of CIC and the Construction Workers Registration Authority ("CWRA"), the Administration should follow through with the staffing arrangements in the post-amalgamation years to ensure that the same problem would not happen again;

#### (b) Efforts to consolidate construction-related cards

Deputations in general expressed concern about the measures to be taken to protect the privacy of the card holders and monitor how CIC would ensure that personal information of the workers would not be leaked to any third party. They also hoped that the Administration could regulate the use of card-readers at work sites; and

(c) Enhancement of administrative and operational efficiency

Some deputations expressed concern about the measures to be taken by CIC to ensure that its amalgamation with CWRA would achieve the policy intent of enhancing the administrative and operational efficiency of CIC.

#### Follow-up actions required of the Administration

Admin 3. The Administration was requested to provide the following information or to take follow-up actions as set out below –

Action - 6 -

- (a) To meet with the staff concerned to address their concerns and report back to the Bills Committee as soon as possible; and
  - (<u>Post-meeting note</u>: further to the meeting in April 2012 amongst the staff of CWRA and representatives of CWRA, CIC and the Administration on the transitional arrangements, CIC's Executive Director and other CIC staff in the presence of the Administration's representative also briefed the staff of the CWRA Secretariat on 16 May 2012 regarding the transitional arrangements.)
- (b) To provide written response to the concerns raised by the deputations.

(<u>Post-meeting note</u>: a summary of deputations' views and concerns and the Administration's response was issued vide LC Paper No. CB(1)2004/11-12(01) on 25 May 2012.)

#### Date of next meeting

4. <u>The Bills Committee</u> agreed that the next meeting would be held on 14 May 2012 at 8:30 am.

#### II. Any other business

5. There being no other business, the meeting ended at 10:00 am.

Council Business Division 1 <u>Legislative Council Secretariat</u> 26 September 2012

# Proceedings of the second meeting of Bills Committee on Construction Industry Legislation (Miscellaneous Amendments) Bill 2012 on Saturday, 5 May 2012, at 8:30 am in Conference Room 2 of the Legislative Council Complex

Time marker	Speaker	Subject(s)	Action required
Agenda Ite	m I - Meeting with de	eputations and the Administration	
000050 - 000250	Chairman	Opening remarks by the Chairman	
000251 - 000329	Construction Industry Council ("CIC")	Presentation of views by CIC that it supported the proposed bill	
000330 - 000533	Hong Kong Construction Sub-contractors Association Limited	Presentation of views by the Association that:  (a) it supported the proposed amalgamation of CIC and Construction Workers Registration Authority ("CWRA") since it would benefit the construction industry in many ways; and  (b) it believed that, with most members from the construction industry, the efficiency of CIC in terms of administration and operation for planning, policy coordination and priority setting for the industry; and the operational efficiency of construction workers registration system would be improved in a substantial way following the amalgamation	
000534 - 000743	H.K. General Building Contractors Association Ltd	Presentation of views by the Association that:  (a) in principle it supported the amalgamation of CIC and CWRA;  (b) the amalgamation would avoid overlapping of efforts and resources and enable CIC to provide through-train services to the construction sector; and  (c) it hoped that the Administration could provide more information on the mode of operation of CIC in future	
000744 - 000858	Hong Kong Construction Industry Employees General Union	Presentation of views by the Union that:  (a) it supported the proposed amalgamation of CIC and CWRA;  (b) it believed that the Administration should strive to streamline and speed up registration process of construction workers through the amalgamation; and	

Time marker	Speaker	Subject(s)	Action required
		(c) it was necessary to protect the existing salaries and fringe benefits of CWRA employees	
000859 - 001441	The Federation of Hong Kong Electrical and Mechanical Industries Trade Unions	Presentation of views by the Federation that:  (a) in principle it had no objection to the proposed amalgamation of CIC and CWRA;  (b) the construction workers registration system should be improved as the number of registered skilled/ semi-skilled workers did not reflect the true picture of the construction industry;	
		(c) the Federation welcomed the Administration's efforts to nurture and retain a capable workforce for the construction industry. To this end, it was necessary to improve training for workers and public image for construction workers, and strive to ensure income stability of them;	
		(d) it had doubt whether CIC as a single statutory body for the construction industry would truly benefit the workers. Concentration of policy formulation, training, registration and trade assessment in one hand might lead to public queries on its neutrality;	
		(e) consolidation of worker registration card with other construction-related cards aims to reduce the number of cards that a worker needs to carry. However, workers may still need to carry the cards given the mobility of their work;	
		(f) efforts should be made not to import labour from other countries; and	
		(g) consideration should be given to exempt and reduce training and registration fees of construction workers	
001442 - 001516	Hong Kong General Union of Lift and Escalator Employees	Presentation of views by the Union that –  (a) it had no comments on the proposed Bill; and  (b) it would keep in view impact of the Bill on the Lifts	
001515		and Escalators Bill passed by the Legislative Council on 18 April 2012	
001517 - 002123	Construction Industry Council Staff General	Presentation of views by the Union that –  (a) the staff side was disappointed that CIC had repeatedly	

Time marker	Speaker	Subject(s)	Action required
	Union Chairman	failed to honour their promise of maintaining the staff salaries, benefits and conditions of service at the merging of the then Construction Industry Training Authority with CIC which took place in January 2008. CIC's moves had adversely affected staff morale;  (b) administrative measures taken by CIC had deprived	
		promotion prospects of experienced staff and placed them under undue pressure. Growth in terms of the number of training staff also fell short of the actual need; and	
		(c) for fear that the same problem might happen again, the Union expressed reservations about the proposed amalgamation of CIC and CWRA	
002124 - 002829	Administration	Presentation of paper by the Administration that –	
002023		(a) the proposed amalgamation could improve operational efficiency of CIC and the construction workers registration system in different aspects, viz.: (i) a single statutory body for the construction industry; (ii) consistent policy and priority setting for the industry; (iii) enhanced administrative and operational efficiency of CIC; and (iv) more effective deployment of resources, enhancement of training for construction workers and sharing of information;	
		(b) realizing the needs of the construction workers, the Administration was making use of the Bill to start off work to consolidate different construction-related cards/certificates into the worker registration card. This required amendment of the Construction Workers Registration Ordinance ("CWRO") and other ordinances. Even so, in future, it would be up to individual workers to decide whether they wished to add their registration information of other construction-related cards to their worker registration cards;	
		(c) the Administration fully appreciated worries of CWRA staff over their employment prospect upon the amalgamation and had held meetings with them together with the management of CIC and CWRA from time to time since December 2010. The staff was given the promise that CIC would honour the existing terms and conditions of all employment contracts signed between them and CWRA until natural expiry. CIC also committed to extend the employment contracts of all serving CWRA Secretariat staff to until	

Time marker	Speaker	Subject(s)	Action required
		two years after the date of amalgamation on terms and conditions not less favourable than the previous contracts. Other issues such as preservation of existing post titles were also looked at. The Administration would "follow through" realization of the promise even after the amalgamation;  (d) as prompted by first Bills Committee meeting, representatives from the Administration, CWRA and CIC management met all staff members of CWRA Secretariat again on 25 April 2012 during which CIC representatives undertook to give CWRA staff an interim reply to their questions within two weeks; and  (e) the Administration would provide written response to the concerns raised by the deputations	Administration to take action (para. 3 of minutes)
002830 - 003341	Ms LI Fung-ying Administration Chairman	Expression of views by Ms LI Fung-ying that —  (a) as a member from the Labour constituency, she was most concerned about the protection of the interests of the staff side upon amalgamation of CIC and CWRA;  (b) the experiences in the amalgamation of the former CITA with CIC in early 2008 which had led to many complaints from staff side about the Administration and CIC management should be avoided to repeat;  (c) all the promises given by CIC should be delivered to staff side in written form so as to enhance confidence of CWRA staff in transitional staffing arrangements; and  (d) special attention should be given to the arrangement of staff employed by CIC to perform worker registration functions of CWRA. These staff might have been left out in amalgamation-related staffing arrangements  The Chairman suggested that the Administration should meet with the staff concerned to address their concerns and report back to the Bills Committee as soon as possible	Administration to take action (para. 3 of minutes)
003342 - 005031	Mr IP Wai-ming Chairman Administration	Expression of views by Mr IP Wai-ming that —  (a) he agreed with Ms LI Fung-ying that CIC's promise should appear in written form to ensure that it would be honoured and carried out in future;	

Time marker	Speaker	Subject(s)	Action required
		<ul> <li>(b) in view of longstanding service demands, CIC should consider extending employment contracts of CWRA staff beyond two years after the date of amalgamation;</li> <li>(c) he queried ways and measures in enhancing administrative and operational efficiency of CIC, bearing in mind that amalgamation of two organizations could result in structural inflation, rigidity and inefficiency. The Administration should provide a paper to address members and deputations' concerns; and</li> <li>(d) he expressed concern about the measures taken by CIC in protecting personal privacy in the issue of registration cards for construction workers</li> </ul>	
		Response of the Administration that –  (a) it believed that the amalgamation would substantially enhance operational efficiency of CIC and worker registration system and benefit industry stakeholders in	
		different ways. The Administration would provide a paper after the meeting to explain how this objective would be met;	
		(b) it had consulted the Office of Privacy Commissioner for Personal Data and would continue to do so to ensure good data protection for the construction-related card. During the registration process, only essential data such as name, registered trades, skill levels etc would be captured; and	
		(c) it should be noted that the proposed Bill was confined to Stage 1 legislative amendments and would not touch on Phase Two Prohibition which would only allow trade-specific registered workers to carry out works of the relevant trades	
005032 - 005617	Construction Industry Council Staff General Union Administration Chairman	Expression of views by the Union that –  (a) judging from past experiences, it still held considerable reservations to the assurance and promise from the CIC; and	
		(b) the Union was afraid that staff from CWRA would be discriminated and treated as "second class citizens" after the amalgamation, for instance in the provision of IT equipment	

Time marker	Speaker	Subject(s)	Action required
		Response of the Administration that it would meet with representatives of the Union after the meeting to listen to its worries and concerns	
		Comments of the Chairman that –	
		(a) given that their concerns were stemming out of the real experiences in the past, it was necessary for the Administration to actively address and alleviate worries and suspicions of the staff side; and	
		(b) the Administration should provide a paper to the Bills Committee on its meeting with the Union and its actual outcome in due course	
005618 - 011041	Administration Ms LI Fung-ying	Briefing by the Administration on the extension of validity period for provisional registration that –	
	Mr IP Kwok-him	(a) at present, CWRA had only implemented Phase One Prohibition whereby a construction worker had to be a registered worker in order to carry out construction works on construction sites;	
		(b) the Administration intended to introduce legislative amendments for Phase Two Prohibition in the fourth quarter of 2013 requiring a construction worker to register for his designated trade before personally carrying out works of designated trade. Consultation with industry stakeholders was underway;	
		(c) unless and until Phase Two Prohibition was enforced, registered construction workers with provisional registration for designated trades would have no problems in carrying out work of their designated trades at construction sites at present, irrespective of whether their provisional registrations had expired; and	
		(d) in the Bill, the Administration was proposing to rationalize the provisional registration arrangement to extend validity period of registered workers (provisional) under circumstances beyond their control	
		Briefing by the Administration on consolidation of construction-related cards that –	
		(a) in order to address members' concerns about the design and durability of the card, the registration card would be redesigned. Eventually, it would likely to become a smart card of a size of an octopus card, all registered	

Time marker	Speaker	Subject(s)	Action required
		trades would be shown on the rear of the card which was made of PVC; and	
		(b) the principal contractor for a construction site was required under section 58 of CWRO to provide electronic card-reader on work site to retrieve data of workers stored in the registration card	
		Expression of views by Ms LI Fung-ying that –	
		(a) in view of strenuous nature of construction work which was mainly performed outdoor, the Administration should take positive steps to consolidate all construction-related cards into one, and improve on the designs and durability of the card; and	
		(b) while efforts should be made to protect personal privacy, registration procedures as well as effective period should be streamlined and standardized respectively to facilitate registration of workers	
		Enquiry by Mr IP Kwok-him as to what a worker could do in case he forgot to bring his registration card to the work	
		Response by the Administration that workers who forgot to bring registration cards to work could sign on the Register of Statements of Registered Construction Workers	
011042 - 011321	Mr Alan LEONG Chairman	Expression of views by Mr Alan LEONG that –	
011321	Administration	(a) consolidation of all construction-related cards into one card should be the ultimate goal for the Administration;	
		(b) to protect privacy of construction workers, card-reading devices installed at construction sites should only be accessible to designated personnel entrusted to handle the relevant data; and	
		(c) the construction worker registration card should be made of durable materials for prolonged use outdoor	
		Response of the Administration that it would duly consider members' views with regard to the registration card	
011322 - 011827	Mr IP Kwok-him Chairman Administration	Enquiry by Mr IP Kwok-him on whether the Administration would consider the long-term use of Hong Kong Identity ("HKID") Card as the "ultimate card" for storage of various personal data including those of the construction industry	

Time marker	Speaker	Subject(s)	Action required
		Response of the Administration that —  (a) the purpose of offering a registration system for construction workers was to facilitate the entry of properly-trained/qualified construction workers to work sites;  (b) involving a number of legislation, consolidation of different construction-related cards and other cards into a single one was a highly complicated task. At present, efforts of the Administration had to be confined to construction-related information only; and  (c) Mr IP Kwok-him's suggestion of using HKID card as the only card to store up all personal data including construction skills might not be easy to realize in the	*
011828 - 012518	Administration Ms LI Fung-ying	near future.  Briefing by the Administration on job security of CWRA staff that –  (a) the Administration attached great importance to maintain close communication with staff affected by amalgamation;  (b) in November 2010, the Administration consulted the	
		Panel on Development and obtained its support for the amalgamation. Since then, it had met with affected CWRA staff, CIC and CWRA management. A joint working group was formed to discuss regularly different issues relating to amalgamation;  (c) at the request of the Bills Committee, representatives from DEVB, CWRA and CIC met all staff of CWRA Secretariat on 25 April 2012 and assured the staff that	
		CIC had agreed to respect and honour existing employment contracts and committed to extend the contract of all serving CWRA Secretariat staff for two years after the date of amalgamation in terms and conditions no less favourable than the prevailing contracts. CIC representatives also undertook to give CWRA staff an interim reply on the questions raised at the meeting and DEVB had also relayed staff concerns to CIC; and	
		(d) the Administration would continue to ensure that CIC would honour its undertakings given to the affected staff after amalgamation	

Time marker	Speaker	Subject(s)	Action required
Agenda Item II – Any other business			
012519 - 012819	Chairman Mr IP Kwok-him	Meeting arrangements	

Council Business Division 1 <u>Legislative Council Secretariat</u> 26 September 2012