# 立法會 Legislative Council

LC Paper No. CB(1)1807/13-14 (These minutes have been seen by the Administration)

Ref: CB1/BC/7/13/2

### Bills Committee on Construction Workers Registration (Amendment) Bill 2014

# Minutes of the first meeting held on Tuesday, 20 May 2014, at 2:30 pm in Conference Room 2A of the Legislative Council Complex

**Members present**: Ir Dr Hon LO Wai-kwok, BBS, MH, JP (Chairman)

Hon Abraham SHEK Lai-him, GBS, JP

Hon Cyd HO Sau-lan

Hon IP Kwok-him, GBS, JP Hon LEUNG Kwok-hung Hon CHAN Yuen-han, SBS, JP

Hon KWOK Wai-keung Hon SIN Chung-kai, SBS, JP Hon POON Siu-ping, BBS, MH

Hon TANG Ka-piu
Hon CHUNG Kwok-pan
Hon Tony TSE Wai-chuen

**Members absent** : Hon LEE Cheuk-yan

Hon CHAN Hak-kan, JP

Hon Alan LEONG Kah-kit, SC

Public Officers : <u>Agenda item II</u> attending

Mr CHAN Chi-ming, JP

Deputy Secretary for Development (Works)2

Miss Charmaine WONG Hoi-wan Principal Assistant Secretary (Works)1 Development Bureau

Mr Ricky LAU Chun-kit Chief Assistant Secretary (Works)6 Development Bureau

Mr George LAW Tak-chi Assistant Secretary (Works Policies)8 Development Bureau

Mr Sunny CHAN Yuen-sun Senior Assistant Law Draftsman Department of Justice

**Clerk in attendance:** Mr Anthony CHU

Senior Council Secretary (1)6

**Staff in attendance :** Ms Clara TAM

Assistant Legal Adviser 9

Mr Fred PANG

Senior Council Secretary (1)8

Ms Christina CHIU

Legislative Assistant (1)6

Action

#### I Election of Chairman

Mr Abraham SHEK, the member who had the highest precedence in the Council among members of the Bills Committee present at the meeting, presided over the election of Chairman of the Bills Committee. He invited nominations for the chairmanship.

2. Ir Dr LO Wai-kwok was nominated by Mr IP Kwok-him and the nomination was seconded by Mr Tony TSE. Ir Dr LO accepted the nomination.

3. <u>Mr Abraham SHEK</u> asked if there were other nominations. There being no other nomination, Ir Dr LO Wai-kwok was elected Chairman of the Bills Committee. <u>Members</u> agreed that there was no need to elect a Deputy Chairman.

#### II Meeting with the Administration

(LC Paper No. CB(3)562/13-14 -- The Bill

File Ref.: DEVB(CR)(W)1-10/31 -- Legislative Council Brief

LC Paper No. LS46/13-14 -- Legal Service Division Report

LC Paper No. CB(1)1446/13-14(01) -- Marked-up copy of the Bill

prepared by the Legal Service

Division

(Restricted to members)

LC Paper No. CB(1)1446/13-14(02) -- Paper on Construction Workers

Registration (Amendment) Bill 2014 prepared by the Legislative Council Secretariat

(Background brief))

4. <u>The Bills Committee</u> deliberated (index of proceedings in the **Appendix**).

5. With the aid of a powerpoint presentation, the Administration briefed members on the background of the existing construction workers registration system and the salient points of the Construction Workers Registration (Amendment) Bill 2014 ("the Bill") to implement the remaining phase of Prohibition under the Construction Workers Registration Ordinance (Cap. 583).

(*Post-meeting note*: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)1470/13-14(01) by email on 20 May 2014.)

#### Follow-up actions

- 6. <u>The Administration</u> was requested to provide the following information --
  - (a) New obligations and duties imposed on and powers given to various concerned parties relating to a construction work, such as the employer, the main contractor, the sub-contractors, the registered skilled workers/general workers (in their respective

- capacities of (i) carrying out works personally; (ii) carrying out works under the instruction and supervision of other registered skilled workers; and (iii) providing instruction and supervision for another worker not registered for the relevant trade division) and so on, after the amendments in the Bill had come into operation;
- (b) Examples illustrating (i) exemption of small-scale construction works with construction value lower than \$50,000 from the remaining phase of Prohibition; (ii) works under a construction contract with a total value of all construction operations not exceeding \$10 million to be regulated under the remaining phase of Prohibition at a later stage; and (iii) how to differentiate the two categories of works;
- (c) The mechanism for adding/deleting/changing the trade divisions under the Bill;
- (d) A list of small-scale construction works/emergency construction works which would not be exempted due to safety concern or regulation under other legislation;
- (e) A list of trade divisions for which workers could be automatically registered as skilled workers by virtue of their qualifications obtained under other legislation; and
- (f) Passing rates of workers attending specified training courses and taking the course assessments before and after the contents of the courses had been simplified.

(*Post-meeting note*: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1583/13-14(05) on 11 June 2014.)

#### Invitation for submissions

7. <u>Members</u> agreed that relevant organizations and the public should be invited to give views on the Bill at the next meeting on 14 June 2014. In line with usual practices, invitation letters would be issued to relevant organizations and the 18 District Councils. A notice would be placed on the website of the Legislative Council inviting members of the public to provide views.

(*Post-meeting note*: The invitation letters were issued on 26 May 2014. A notice inviting views was also placed on the website of the Legislative Council on the same day.)

# Date for next meeting

8. The next meeting would be held at 9:30 am on 14 June 2014.

(*Post-meeting note*: The meeting scheduled for 14 June 2014 was re-scheduled to 9:30 am on 27 June 2014. Members were informed of the relevant arrangements on 17 June 2014 vide LC Paper No. CB(1)1625/13-14.)

# III Any other business

9. There being no other business, the meeting ended at 4:05 pm.

Council Business Division 1 <u>Legislative Council Secretariat</u> 28 July 2014

# Proceedings of the first meeting of the Bills Committee on Construction Workers Registration (Amendment) Bill 2014 on Tuesday, 20 May 2014, at 2:30 pm in Conference Room 2A of the Legislative Council Complex

Time marker	Speaker	Subject(s)	Action required		
Agenda It	Agenda Item I – Election of Chairman				
000128- 000254	Mr Abraham SHEK Mr IP Kwok-him Mr Tony TSE Ir Dr LO Wai-kwok	Election of Chairman			
Agenda It	em II – Meeting with t	he Administration			
000255- 002611	Administration	Briefing on the Construction Workers Registration (Amendment) Bill 2014 ("the Bill")			
002612- 002955	Miss CHAN Yuen-han Administration	Given that the 139 trade divisions listed out in Schedule 1 of the Bill covered a wide scope of works in the construction industry, Miss CHAN Yuen-han expressed concerns on whether all relevant labour unions had been consulted on the Bill. She said that each union might have views on the implementation of the remaining phase of Prohibition. She suggested that the Bills Committee should hold a public hearing to receive views on the Bill.  The Administration replied that extensive discussion and consultation with relevant industry stakeholders on the legislative proposals had been conducted since 2010. More than 100 forums had been held to consult the stakeholders. Their views had been incorporated into the Bill as far as practicable. The Administration had strived to brief every labour union/group on the legislative proposals. It would			
002956-003808	Mr TANG Ka-piu Administration	union/group on the legislative proposals. It would continue to listen to the views of stakeholders on the legislative proposals.  Mr TANG Ka-piu supported conducting a public hearing to receive views on the Bill. He asked about  (a) the new obligations and duties imposed on various parties, such as employers, contractors and workers, under the Bill.  (b) the mechanism to add/delete/change trade divisions in Schedule 1 under part 2 of the Bill.  The Administration replied that			

Time marker	Speaker	Subject(s)	Action required
		(a) Phase One Prohibition under the Construction Workers Registration Ordinance (Cap. 583) ("CWRO") came into effect on 1 September 2007, i.e. forbidding unregistered construction workers from carrying out construction work on construction sites. The industry already had a good understanding of the construction workers registration system. The Bill was to implement the remaining phase of Prohibition.	
		(b) The Bill would not affect the employer(s) of construction works, as only workers, employers of workers and principal contractors carrying out construction works on construction sites were regulated under CWRO.	
		(c) At present, under CWRO, there were 99 trades, which would be expanded to 139 trade divisions under the Bill, mainly due to the splitting of some trades by modular skills and the addition of "master skilled workers". The demarcation of trade divisions were in line with the existing practices in the construction industry.	
		Mr TANG requested the Administration to provide the following information	The Administration
		(a) new obligations and duties imposed on and powers given to various concerned parties relating to a construction work, such as the employer, the main contractor, the sub-contractors, the registered skilled workers/general workers (in their respective capacities of (i) carrying out works personally; (ii) carrying out works under the instruction and supervision of other registered skilled workers; and (iii) providing instruction and supervision for another worker not registered for the relevant trade division) and so on, after the amendments in the Bill had come into operation; and	to take follow-up actions as in paragraph 6(a) and 6(c) of the minutes
		(b) the mechanism for adding/deleting/changing the trade divisions under Schedule 1.	
003809- 005013	Ms Cyd HO Administration Chairman	Ms Cyd HO enquired about -  (a) the details about registration as a "master skilled worker";	

Time marker	Speaker	Subject(s)	Action required
		(b) the one-off registration arrangement for senior workers under the Bill and lessons learnt by the Administration from similar arrangements for senior workers when registration of construction workers started in 2005;	
		(c) the verification of the relevant working experience of senior workers who might have worked for different employers and on a daily-wage basis; and	
		(d) the assessment under the one-off arrangement.	
		She opined that, to achieve a balance, the assessment should not be too difficult. Otherwise, it would affect the livelihood of senior workers. At the same time, the original purpose of maintaining the standard/quality of the workers should be upheld.	
		The Chairman pointed out that with the operation of the construction workers registration system, the labour unions had already been offering assistance to certify the experience of workers. He asked if there was any measure to prevent the abuse of this mechanism.	
		The Administration advised that	
		(a) Extensive consultation with the Construction Industry Council ("CIC") and the industry stakeholders had been conducted in finalizing the proposed senior workers registration arrangement in the Bill. Under the proposed arrangement, workers who would have possessed an aggregate of not less than 10 years' relevant working experience on an individual trade division upon the commencement of the relevant provisions of the proposed amendments would be eligible for the one-off arrangement. Under this prerequisite, those satisfying the existing requirement of provisional registration (i.e. possessing an aggregate of not less than six years' relevant experience on a trade division before 29 December 2005) might apply directly for registration as registered skilled workers. Other senior workers not meeting the above requirement might take an assessment (but not a trade test) for registration as registered skilled workers.	

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		(b) Under the provisional registration arrangement, workers who had taken the specified training courses and passed the assessment could register as skilled workers. However, the attendance rate of the specified training courses was low. Therefore, CIC had launched a simplified version of the assessment of the specified training courses and the passing rates had increased.	
		(c) Workers would become "master skilled workers" of a trade if they possessed the registration qualifications for all trade divisions under that trade.	
		(d) In order to verify the experience of workers who applied through the one-off arrangement, apart from documentary proof, the assistance from the labour unions would be sought if necessary. A mechanism had already been established to verify workers' previous experience in the provisional registration for workers by requesting the employers or labour unions to certify workers' working experience. The mechanism had been working smoothly. Senior workers could register as skilled workers through either of the three channels, including the above one-off arrangement, registering as provisional skilled workers and then completing the specified training course, and passing the relevant trade test(s).	
		Ms HO requested the Administration to provide the passing rates of workers attending specified training courses and taking the course assessments before and after the contents of the courses had been simplified.	The Administration to take follow-up actions as in paragraph 6(f) of the minutes
005014- 005200	Mr Abraham SHEK Administration	In response to Mr Abraham SHEK's enquiry about the concerns of the stakeholders on the Bill, the Administration said that during the initial stage of the public consultation on the legislative proposals, there had been suggestions on the need to stipulate clearly in the Bill the details of the implementation of the remaining phase of Prohibition. These concerns had been addressed. All stakeholders consulted had indicated support for the objectives of the Bill.	

Time marker	Speaker	Subject(s)	Action required
005201- 005953	Chairman Administration	The Chairman relayed the concerns of some small-and medium-sized contractors on the exemption for small-scale construction works. They considered that the proposed \$50,000 threshold for works to be exempted under the Bill was too low. He said that the low threshold might have an impact on the costs and efficiency of the works. He opined that the Administration should launch publicities on the implementation of the remaining phase of Prohibition targeting at property owners and owners' committees.	
		<ul> <li>(a) Small-scale construction works could be exempted from the regulation of the remaining phase of Prohibition if they were either (i) designated small-scale construction works, (ii) with quantities not exceeding designated exemption thresholds or (iii) with construction value below \$50,000 and this threshold would be adjusted in line with inflation. Yet, some trade divisions would not be exempted due to considerations such as safety concern or the fact that they were already regulated by other legislation.</li> <li>(b) In response to some small-sized contractors'</li> </ul>	
		views, the Administration would regulate construction contracts with a total value of all construction operations not exceeding \$10 million under the remaining phase of Prohibition at a later stage in order to allow more time for small- and medium- sized contractors to get used to the new requirements.	
005954– 010457	Mr TANG Ka-piu Administration	Mr TANG Ka-piu asked whether individual works processes with value over \$50,000 would be subject to the regulation of the remaining phase of Prohibition even if the total construction value of the works project was below \$10 million. The Administration was requested to provide examples illustrating (i) exemption of small scale construction works with construction value lower than \$50,000 from the remaining phase of Prohibition; (ii) works under a construction contract with a total value of all construction operations not exceeding \$10 million to be regulated under the remaining phase of Prohibition at a later stage; and (iii) how to differentiate the two categories of works.	The Administration to take follow-up actions as in paragraph 6(b) of the minutes

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010458- 011254	Ms Cyd HO Administration Chairman Mr TANG Ka-piu	Ms Cyd HO asked whether renovation works and minor works would be subject to the regulation under CWRO. She agreed with other members' view that the \$50,000 threshold was too low as a large number of household maintenance and renovation works would likely exceed \$50,000.	
		Ms HO suggested that the Administration should launch publicities on the implementation of the remaining phase of Prohibition targeting at property owners and owners' committees so that they would be aware of the types of works that would be subject to the regulation under CWRO.	
		The Administration explained that -	
		(a) Addition, renewal or alternation works would be regulated under CWRO only if they involved the structure of a "specified structure" as defined in Schedule 3 of CWRO. In general, household maintenance and renovation works did not involve structure and therefore would not be regulated under CWRO.	
		(b) Class III minor works under Building (Minor Works) Regulation would be excluded from regulation under CWRO while Class I and II minor works would be subject to the remaining phase of Prohibition. In order to allow more time for small- and medium-sized contractors to adapt to the new regulation, these works would only be regulated at a later stage.	
		The Chairman said that the Bill should clearly stipulate which categories of construction works would be regulated under the remaining phase of Prohibition. He also asked whether each works process of value under \$50,000 would be subject to the remaining phase of Prohibition if the total construction value of the project exceeded \$10 million.	
		The Administration advised that exemption of small-scale construction works should only be applicable to (i) discrete work items which were isolated from other construction works by location and not physically connected with other construction works; and (ii) the works value did not exceed \$50,000. Further illustrations would be provided at a later	

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		In response to Mr TANG Ka-piu's concern that works contractors might lower the contract prices for certain works to under \$50,000 so as to avoid recruiting registered skilled workers, the Administration said that the construction industry had already established its own practices on what types of workers should be deployed for different types of works. It was believed that the industry would not change its long-established practices in order to circumvent the regulation of the remaining phase of Prohibition.	
011255- 012059	Mr Abraham SHEK Administration	Mr Abraham SHEK asked  (a) the Administration to clarify the difference between exempted works of \$50,000 and works not exceeding \$10 million which would be deferred to a later stage for implementing the remaining phase of Prohibition; and	
		<ul> <li>(b) how the Administration arrived at the \$50,000 figure for the threshold.</li> <li>The Administration replied that after studying the works orders issued by works departments, other public bodies and specified bodies in around 2011, it was found that over 98% of the relevant works orders issued were small-scale construction works with value below \$50,000. Upon consultation, the industry considered that this covered most of the works orders under term maintenance contracts.</li> </ul>	
		Mr SHEK expressed concerns about the impact of the implementation of the remaining phase of Prohibition on the manpower supply of construction workers and the flexibility of redeploying workers to different works processes, in particular during the downturn of the construction industry.	
		<ul> <li>The Administration advised that</li> <li>(a) The proposed trade divisions were formulated according to the existing works division in the construction industry. The implementation of the remaining phase of Prohibition should not have adverse impact on the supply of skilled workers.</li> <li>(b) There were provisions in the Bill to allow</li> </ul>	

Time marker	Speaker	Subject(s)	Action required
		flexibility in deploying workers, including (i) a general worker might undertake works in construction sites which were not covered under the skills of the designated trade divisions in Schedule 1; (ii) a worker not registered under a trade division might undertake works of that trade division if he was carrying out the works under the instruction and supervision of a registered skilled worker of that trade division; and (iii) a registered skilled worker of some trade divisions might work across other trade divisions with similar skills.	
012100- 012555	Mr TANG Ka-piu Administration	Mr TANG Ka-piu enquired about	
012333	rammstation	(a) the arrangements for workers who had obtained relevant qualifications under other legislation to obtain the registered skilled workers status; and	
		(b) the number of workers that would be covered by the one-off arrangement for senior workers.	
		The Administration advised that	
		(a) For example, some Electrical and mechanical ("E&M") workers who were registered under other legislation were eligible to be registered as skilled workers for the relevant trades under the existing arrangements by presenting their registration proofs to CIC.	
		(b) Not all E&M workers had to register as registered construction workers under CWRO. Only those who had to carry out construction works at construction sites were required to do so.	
		(c) It was estimated that there would be around 50 000 senior workers who had 10 years' relevant working experience at the commencement of the one-off arrangement for senior workers.	
		Mr TANG expressed concern that E&M workers had not been informed about the need for them to register as construction workers under CWRO if they had to carry out construction works. The Administration replied that it had liaised with the relevant labour unions on the requirement and their members had been duly informed. Some E&M workers had	

Time marker	Speaker	Subject(s)	Action required
		already registered under CWRO.  Mr TANG asked the Administration to provide  (a) A list of small-scale construction works/emergency construction works which would not be exempted due to safety concern or regulation under other legislation; and  (b) A list of trade divisions for which workers could be automatically registered as skilled workers by virtue of their qualifications obtained under other legislation.	The Administration to take
012556- 013137	Chairman Administration Ms Cyd HO Mr TANG Ka-piu	In response to the Chairman's enquiry, the Administration advised that its target was to have the Second Reading Debate on the Bill in the first to second quarter of the 2014-2015 legislative session. This timeframe was proposed to tie in with the completion of the preparatory work currently undertaken by CIC for the implementation of the Bill.  Members agreed that the next meeting would be held on 14 June 2014 to receive public views on the Bill.	

Council Business Division 1 <u>Legislative Council Secretariat</u> 28 July 2014