

**Minutes of 6th Meeting of
Construction Industry Council
held on 15 November 2007 at 2:30 p.m.
in Room 1201, Murray Building, Garden Road, Central**

Present

Mr Keith Kerr	Chairman
Mr Russell Black	
Mr James Blake	
Mr Francis Bong	
Dr Andrew Chan	
Mr T T Cheung	
Mr James Chiu	
Mr CHOI Chun-wa	
Mr Michael Green	
Mr Edgar Kwan	
Mr Thomas Kwok	
Mr W H Lam	
Mr Peter Lee	
Mr S S Lee	
Mr TSE Chun-yuen	
Mr Wan Koon-sun	
Mr Conrad Wong	
Mr Billy Wong	
Mr C K Mak	Permanent Secretary for Development (Works) Buildings Department
Mr C K Au	
Ms Ada YS Fung	Deputy Director (Development & Construction), Housing Department
Miss Janet Wong	Deputy Secretary for Development (Works) 1
Mr Enoch Lam	Deputy Secretary for Development (Works) 2
Mr Jack Chan	Principal Assistant Secretary for Development (Works) 1
Mr K H Tao	Chief Assistant Secretary for Development (Works) 1
Mr Solomon Wong	Assistant Secretary for Development (Public Works Systems Administration) 1
Mr Alan Au	Assistant Secretary for Development (Policy and Development)

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Mr Charles Wong	Executive Director/CITA
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Absent with Apologies

Ms Teresa Cheng
Mr Thomas Ho
Prof J M Ko

Agenda Item 1: Confirmation of Minutes of the 5th Meeting held on 10 September 2007

The minutes were confirmed subject to the following amendment –

Paragraph 22 – insert at the beginning of the paragraph “A Member conveyed the comments of some CITA staff on the proposed new name of the training school. ”

Agenda Item 2: Matters Arising

2. Matters arising from the last meeting would be dealt with in subsequent agenda items.

**Agenda Item 3: 2nd Progress Report of Committee on Manpower Training and Development (Com MTD)
[Paper No. CIC/038]**

3. Members noted that the discussions of the Committee, the subcommittee structure for the Construction Industry Training Board (CITB) and the publicity arrangements for the amalgamation of CIC and CITA would be discussed in subsequent agenda items.

**Agenda Item 4: 3rd Progress Report of Committee on Procurement
[Paper No. CIC/039]**

4. Members noted the discussions on the innovative procurement approaches adopted in development projects in Macau, the experience of Architectural Services Department in delivering government building projects through design and build (D&B) contracts and EPD’s adoption of design, build and operate contracts in procuring and operating waste management facilities.

5. On D&B contracts, the suggestions for extending tendering period for contracts with value exceeding \$1 billion to 10 and 12 weeks and reimbursing part of the tendering cost to unsuccessful tenderers would be further considered by the Committee and be made formally to DEVB if they were supported by the Committee and CIC.

Secretariat

Agenda Item 5: 3rd Progress Report of Committee on Construction Safety [Paper No. CIC/040]

6. Members expressed strong support for the formation of an informal task force under the Committee to examine how site safety could be tackled from the behavioural perspective noting that identifying the reasons for unsafe behaviour and changing the mindset of site personnel would be crucial in pursuing further improvements in safety performance. Funding priority should be accorded to research which would help taking forward this initiative. The Committee would prepare a paper on the way forward for discussion by CIC in due course.

Secretariat

7. Members agreed to publicize the deliverables of the priority tasks being pursued by the Committee at appropriate junctures so as to raise public awareness of CIC's efforts in promoting site safety. The Secretariat was asked to consider ways for disseminating the deliverables to the industry

Secretariat

Agenda Item 6: 3rd Progress Report on Committee on Subcontracting [Paper No. CIC/041]

8. Contractual provisions were introduced in May 2006 in public works contracts and public housing contracts for monitoring and controlling wage payment to construction workers. Since no wage arrears had been reported so far in the 68 public works contracts which had adopted these measures, Members supported rolling them out to private sector through guidelines to be issued by CIC. In this regard, the Secretariat would formulate proposals for the scope, classification and format of the guidelines as well as the distribution and updating mechanism for consideration.

Secretariat

9. Members were advised that MTRC was taking appropriate steps to incorporate the monitoring and control measures for wage payment into its construction contracts.

Agenda Item 7: 4th Progress Report of Committee on Environment and Technology (Com E&T)
[Paper No. CIC/042]
Way forward on Construction Standards
[Paper No. CIC/043]
Way forward on Promotion of Green Buildings
[Paper No. CIC/044]

10. Members discussed the proposal to form two task forces under the Committee to conduct an overall review of the construction standards used for buildings and infrastructure in Hong Kong, identify the problems and issues associated with various types of standards, recommend solutions and identify CIC's role in their implementation. The specifications of various industry organizations were drawn up on the basis of reference standards issued by leading standards bodies (in particular the British Standards Institute (BSI)). The task forces would take stock of these specifications so as to assess the need and ways to promote a more co-ordinated and systematic approach in the development of specifications and to achieve better alignment in the choice of reference standards and the local modifications made to them.

11. Members generally supported the proposed review and felt it was timely in view of the need to assess the impact of the replacement of British Standards by Eurocodes by 2010 and to devise (if necessary) measures to cope with the transition. Members were not in favour of establishing a standards body to develop reference standards since this was not justified by the small size of the local construction market. A Member was disappointed about the lack of determination in driving improvements in construction standards and was concerned that the industry would lag behind global trends by failing to reach a timely decision to adopt Eurocodes approach for Hong Kong.

12. Members supported the recommendations to set up two task forces under the Committee and endorsed the proposed membership

and terms of reference subject to inviting REDA to join the Task Force on Construction Standards for Buildings. The task forces should take into account the findings of relevant studies on construction standards and aim to complete their deliberations within six months.

Secretariat

[Declaration of interest: Mr Keith Kerr, Chairman of CIC, declared that he was also the Chairman of REDA.]

13. Having examined the existing situation in promoting green buildings, the Committee found that progress was being hindered by the lack of resources of the organizations involved and the absence of a focused forum to drive the initiative. The Committee therefore proposed to establish an independent entity under CIC to take charge of the promotion of green buildings. The high priority accorded by the community to sustainability would justify funding of the proposed entity by CIC.

14. Members were of the view that promotion of green buildings was an important initiative on which CIC should take the lead. Given that the former PCICB had recommended BEAM (formerly known as HK-BEAM) as the assessment method for the local construction industry, some Members argued that the HK-BEAM Society could promote green buildings and questioned the merits of setting up another entity instead of co-ordinating the efforts of existing players. There was also concern that, in the absence of top down policy decisions on the development of green buildings, the creation of another entity could lead to more confusion. On the other hand, most Members supported the notion of a focused forum to integrate the existing fragmented efforts on green buildings. In particular, a Member pointed out that apart from assessment method, coherent guidelines on design, construction and operation were crucial for delivering green buildings.

15. After some discussions, Members concluded that the Committee should further consider the idea of setting up an independent entity. As it was unlikely that such an entity could function effectively without owning the assessment method, the Committee should seek the view of the HK-BEAM Society on the way forward before bringing up the matter again for discussion.

Secretariat

Agenda Item 8: 4th Progress Report of Committee on Administration and Finance (Com A&F) [Paper No. CIC/045]

16. The selected candidate for appointment as Executive Director had declined to accept the offer. The Secretariat would work with the headhunter to find another suitable candidate. The programme and estimates for CIC for 2008 was being prepared and would be considered by Com A&F and CIC on 29 November and 20 December 2007 respectively.

Secretariat

Agenda Item 9: Proposed Subcommittee structure for CITB [Paper No. CIC/046]

17. Members endorsed the subcommittee structure discussed and supported by Com MTD and Com A&F at their respective meetings on 2 October 2007 and 5 November 2007. Three subcommittees covering training, trade testing and Employers Subsidy Scheme would be formed. In line with CITB's focus on these subjects, the administration, finance and human resources matters currently handled by CITA committees would be transferred to Com A&F after the amalgamation. Members were advised of the concern of some CITA staff on the lack of a subcommittee under CITB for dealing with staff issues and generally agreed that, while such issues should continue to be accorded high priority, it should be in order for Com A&F to take over human resources functions.

18. The subcommittee structure would be further considered and endorsed by CITB before implementation.

Agenda Item 10: Publicity Arrangement for Amalgamation [Paper No. CIC/047]

19. Members endorsed the proposed arrangements for publicizing the amalgamation of CIC and CITA through distributions of pamphlets, posters and advertisements in newspapers and periodic publications of industry organizations and the budget of \$0.34 million for the exercise. The Secretariat would consider the possibility of publicizing the amalgamation through Announcements of Public Interest (API) on electronic media.

Secretariat

[Post meeting note –

According to the Information Services Department, with the long list of publicity campaigns which has to be accorded high priority, it is unlikely that any free air time can be given to CIC. The cost of procuring a package of 77 TV broadcasts (for 30 seconds) at various times of the day (except prime time) ranges from \$300,000 to \$210,000. This option is not recommended given its high cost. Moreover, the publicity arrangements set out in the paper should be sufficient for advising industry stakeholders of the arrangements for the amalgamation.]

Agenda Item 11: Any Other Business

20. There being no other business, the open-door session was declared closed.

********End of Open-Door Session********

