

**Minutes of the 1st Meeting of the
Construction Industry Council
held on 9 March 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	
Ms Teresa Cheng	
Mr T T Cheung	
Mr James Chiu	
Mr C W Choi	
Mr Michael Green	
Mr Thomas Ho	
Mr Edgar Kwan	
Mr Thomas Kwok	
Mr W H Lam	
Mr Peter Lee	
Mr S S Lee	
Mr M H Poon	
Mr C Y Tse	
Mr K S Wan	
Mr Conrad Wong	
Mr Billy Wong	
Mr C K Mak	Permanent Secretary for the Environment, Transport and Works (Works) (PSW)
Mr H W Cheung	Director of Buildings, Buildings Department
Ms Ada Fung	Deputy Director (Development & Construction), Housing Department
Miss Janet Wong	Deputy Secretary for the Environment, Transport and Works (Works) 1
Mr Helius Ng	Deputy Secretary for the Environment, Transport and Works (Works) 2 (Ag.)
Mr Jack Chan	Principal Assistant Secretary for the Environment, Transport and Works (Works) 1
Mr K H Tao	Chief Assistant Secretary for the Environment, Transport and Works (Works) 1

Miss Agnes Kwan	Assistant Secretary for the Environment, Transport and Works (Industry Review)
Ms Cindy Kwan	Assistant Secretary for the Environment, Transport and Works (Policy and Development)
Mr Solomon Wong	Assistant Secretary for the Environment, Transport and Works (Public Works Systems Administration) 1
Ms Rosanna Wong	Chief Executive Officer (Policy and Development), Environment, Transport and Works Bureau

Absent with Apologies

Prof J M Ko

Agenda Item 1 : Introductory Remarks by the Chairman

The Chairman welcomed Members to the first meeting of the Construction Industry Council (CIC). He remarked that the formation of CIC was a significant milestone in the history of the construction industry. Important tasks ahead for CIC would include the amalgamation of CIC and the Construction Industry Training Authority (CITA) in January 2008, the recruitment of an Executive Director, and the setting up of a permanent secretariat in the second half of 2007. CIC would continue to follow up on the recommendations of the Construction Industry Review Committee (CIRC) and should draw up a template of agenda items for the next two years.

Agenda Item 2 : Introductory Remarks by PSW

2. Mr C K Mak thanked the Chairman and members on behalf of Government for agreeing to serve on CIC and to contribute their time and efforts for the continuous improvement of the construction industry. He commented that as an independent statutory body representing the interests of stakeholders of the industry, CIC was best positioned to lead the industry through the challenges and opportunities ahead. He was confident that CIC would steer the industry ahead and establish an efficient communication channel with Government on issues of mutual concern. Government would stand ready to work closely with CIC, and in particular, ETWB would continue to take up the co-ordination role and act as a bridge of communication between the industry and different government bureaux and departments.

Agenda Item 3 : Proposed Terms of Reference of CIC
[Paper No. CIC/001]

3. Miss Agnes Kwan highlighted the key areas of the proposed terms of reference (TORs), which were prepared on the basis of the functions of CIC stipulated under the Construction Industry Council Ordinance (CICO). The TORs were formally endorsed without amendment.

4. The TORs were agreed.

Agenda Item 4 : House-keeping Matters:
[Paper No. CIC/002]

(1) Frequency and Format of Meetings

5. Miss Agnes Kwan briefly explained the key proposals: that meetings be scheduled at around six-week-intervals and papers for CIC be classified into “information papers” (i.e. not to be discussed) and “discussion papers” and related issues would be bundled together for more focused and in-depth consideration. The Chairman suggested that more frequent and shorter meetings should be scheduled.

6. The proposals were agreed.

(2) Administrative Guidelines on Meetings and Proceedings

7. Miss Agnes Kwan introduced the proposed framework of the administrative guidelines as required by CICO relating to disclosure of interests, absence from meetings, conduct of open meetings and resolutions without meetings etc. The detailed guidelines would need to be deliberated by the relevant committee.

8. The proposals were agreed and the detailed guidelines would be deliberated.

Agenda Item 5 : Issues to be Followed Up by CIC and Proposed Committee Structure of CIC
[Paper No. CIC/003]

9. Mr K H Tao introduced the 33 issues to be followed up which were broadly grouped into seven subject areas and the proposed committee structure of CIC.

(1) Construction Site Safety

10. Members agreed that a committee be set up under CIC to follow up with high priority those recommendations previously endorsed by the Provisional Construction Industry Co-ordination Board (PCICB) and that the committee should involve private sector developers, estate management agencies and relevant government departments.

(2)&(3) Contract Management and Management of Subcontracting

11. After detailed discussion, the meeting agreed that –

- (a) on the workload aspect – in the light of heavy workload, two separate committees should be formed;
- (b) on the committees to be formed – the first committee would be named “Committee on Procurement” (where the subject of contract management would also be discussed) and the second “Committee on Subcontracting”; and
- (c) the Voluntary Subcontractor Registration Scheme (VSRS) should be kept under the purview of “Committee on Subcontracting”.

(4)&(5) Environment and Technological Development

12. The meeting agreed that consideration should be given to forming a sub-group under this committee to discuss on construction standards.

(6) Manpower Training and Development

13. Members agreed that -

- (a) this Committee should conduct an overall review on the manpower supply and skill requirements of the construction industry with a view to better aligning the training programmes with changing market demand; and
- (b) apart from matters concerning the amalgamation of CIC and CITA, this Committee should cover important issues with direct impact on the interests of frontline construction workers.

14. The meeting noted that CITA had developed its training programmes having due regard to the Qualifications Framework introduced by the Education and Manpower Bureau.

15. In response to the enquiry on the mechanism for involving CITA's staff unions in the relevant committee and liaison groups on amalgamation, Miss Janet Wong explained that the two-tier liaison mechanism, as recommended by PCICB, would involve CITA board members and CITA management respectively. As a first step, CIC would arrange briefings for the employees of CITA on the amalgamation. CITA employees would be assured that the status quo of CITA operations would be maintained during the process. Mr Edgar Kwan commented that union representatives including Mr C W Choi and Mr K S Wan were members of both CIC and the CITA Board and they had been involved in staff matters of CITA during the past years. He believed that CITA management should continue to maintain direct dialogue with its employees.

(7) Administration and Finance

16. The Chairman commented that matters relating to the collection of levies could possibly be covered under the relevant committee after the amalgamation with CITA.

17. The Chairman concluded that the proposed structure be endorsed by the meeting.

Agenda Item 6 : Nomination and Voting Arrangements for Election of Chairmen of Committees
[Paper No. CIC/004]

18. Mr Jack Chan introduced the salient features of the proposed nomination and voting arrangements based on similar elections. He reminded Members that the nomination forms should reach the Secretariat before the deadline at noon on 17 March.

[Post-meeting note: Updated nomination forms incorporating the revised titles of the “Committee on Procurement” and “Committee on Subcontracting” were distributed to members after the meeting.]

19. In response to Mr K S Wan’s enquiry on the maximum number of Committees which a CIC Member could join and the possible participation of non-CIC Members in Committees, the Chairman suggested and the meeting endorsed that each Committee should comprise a minimum of 3 to 4 CIC Members and that non-CIC members with special interests and required skill could also be invited to participate in the work of the individual Committees as co-opted members.

Agenda Item 7 : Issues in connection with the setting up of CIC
[Paper No. CIC/005]

(a) Office Accommodation for CIC

20. Mr Jack Chan summarized the progress made. The Chairman commented that it might be more economical for CIC to rent a conveniently located and modest space for accommodating a small number of staff in the permanent secretariat initially and make use of the meeting facilities of ETWB as an interim arrangement. The Chairman suggested and the meeting endorsed that issues relating to office accommodation be considered by the Committee on Administration and Finance.

(b) Funding Arrangement for Establishing CIC

21. Mr Jack Chan briefly recapitulated on the proposed arrangements recommended by PCICB. For the sake of prudent accounting arrangements, he suggested that the cost of minor renovation of the temporary office for the new Executive Director and supporting staff be financed by CIC after obtaining the necessary funds from CITA. In view of the above change, the Chairman suggested and the meeting agreed that the first sum of funds required to be drawn should be increased to \$1M to meet the necessary expenses to be reasonably incurred by CIC in the first phase.

22. The Chairman suggested and the meeting endorsed that as an interim arrangement, cheques for CIC should be signed by any two of the authorized persons, including the Chairman of CIC and Chairmen of the Committees. The arrangement would be reviewed after the transfer of funds from CITA and the arrival of the Executive Director.

(c) Amalgamation of CIC and the Construction Industry Training Authority (CITA)

23. Mr Jack Chan outlined the two-tier liaison mechanism as recommended by PCICB. The meeting agreed that all CIC Members would be invited to join the liaison groups. The meeting also agreed that the interface with CITA Board should be worked out between the liaison group and the Committee on Manpower Training and Development as well as the Committee on Administration and Finance.

24. On the proposed arrangements concerning the briefing sessions for the employees of CITA, the Chairman suggested and the meeting agreed that the Secretariat should proceed to conduct the briefings on behalf of CIC. The Chairman also remarked that he as well as the Chairman and/or members of the Committee on Manpower Training and Development might, if possible, to join the briefings.

[End of the first part of the meeting which was open to the public.]