

Construction Industry Council

Meeting No. 003/14 of the Construction Industry Council for 2014 was held on Friday, 20 June 2014 at 2:30 pm at Meeting Room 1, Construction Industry Council Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong.

Present	:	Shing-see LEE	(SSL)	Chairman
		Andrew CHAN	(AKYC)	
		Allan CHAN	(SKC)	
		Anthony CHAN	(AnCN)	
		Paul CHONG	(PC)	
		Luen-kiu CHOW	(LKC)	
		Chi-wah LAI	(CWLi)	
		Stephen LAI	(SLI)	
		Christopher LEUNG	(KYL)	
		Lawrence NG	(LN)	
		Derrick PANG	(DP)	
		Melissa Kaye PANG	(MKP)	
		Kevin POOLE	(KP)	
		Mike WONG	(MW)	
		Sze-chun WONG	(SCW)	
		Wilfred Shek-chun WU	(WSCW)	
		Siu-hung CHAN	(SHC)	
	Hau-wai CHEUNG	(HWC)		
	Tai-chong CHEW	(TCC)		
	Chi-sing WAI	(CSW)	Permanent Secretary for Development (Works)	
	Siu-wai HUI	(SWH)	Director of Buildings	
In Attendance		Charmaine WONG	(HWW)	Development Bureau
		Stephen KWOK		Housing Department
		Helen LEUNG		Housing Department
		Ashley SEE		Tricor
		Anthony CHAN		Tricor
		Christopher TO	(CT)	Executive Director
		Charles WONG	(CWG)	Director – Training and Development
		Ivan WONG	(IW)	Director – Registration Services
		Alex LEUNG	(AL)	Deputy Director – Training and Development
		Cheryl IP	(CI)	Senior Manager – HR & Admin
	Miranda YEAP	(MYP)	Senior Manager – Council Services	
	Belle HO	(CYH)	Manager – Council Services	

Apologies

Reuben CHU (RCU)
Robert LAM (PHL)
Tak-ching MAK (TCM)
Ada FUNG (AF)

for Permanent Secretary for
Transport and Housing (Housing)

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[The open-door session of the meeting started at 4:05 p.m.]

**3.6 Confirmation of Minutes of the Previous Meeting
(Open-door Session)**

Members referred to Paper CIC/CMT/M/002/14 and approved the minutes of the open-door session of the 2nd meeting of 2014 held on Friday, 25 April 2014 at Meeting Room 1, Construction Industry Council Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong.

**3.7 Matters Arising from the Previous Meeting
(Open-door Session)**

Nil.

**3.8 1st Meeting of Committee on Procurement and Subcontracting
for 2014**

Members were briefed by TCC on Paper CIC/CMT/P/018/14.

The following issues were highlighted:

- Item 1.3 – Issues on Construction Programme - CIC’s research team had commissioned the PolyU research team to conduct the research on “An Empirical Study of Construction Time Performance of High-Rise Private Building Projects in Hong Kong”. The research programme would cover a period of 18 months from 1 June 2014 to 30 November 2015.
- Item 1.4 – The Proposed Nomination of Co-opted Members for Committee on Procurement and Subcontracting from Feb 2014 to Jan 2016 was approved.
- Item 1.5 – TCC encouraged the Members of Com-PNS to give some thought to the use of the budget. The unspent amount would need to be returned to the Council.
- Item 1.6 – The draft Procurement Alert on the Use of On-Demand Performance Bonds in Construction Contracts was approved.

DP mentioned that HKCA had issued a letter, requesting CIC to engage in a thorough research to compare the contract terms used in existing Hong Kong contracts with those widely used in different

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countries.

The Chairman pointed out that the previous request was on On-Demand Bonds only while the scope of this new request was very broad. DP confirmed that the Association would like to have an overall review of the contract terms and HKCA would also collect examples internally to facilitate the study.

The Chairman mentioned that the government would review the conditions of contract every few years. CSW said that there was still regular review on the conditions of government contracts. However, universities might not be suitable to conduct the proposed study as they might lack the relevant practical experience. CSW suggested that the study should focus on certain concerns.

A Member expressed that “Unfair contract terms” might not be the correct description of the situation portrayed because there was no unfairness so long as the terms were clear and understood by both parties. The Chairman concluded that the focus of the issue was about the sharing of risks. The issue would be further discussed at the next Com-PNS meeting.

Com-PNS

Members had no comments on other items in Paper CIC/CMT/P/018/14.

3.9 1st Meeting of Committee on Productivity and Research for 2014

Members were briefed by KYL on Paper CIC/CMT/P/019/14. The progress of Com-PNR Meeting No. 001/14 was reported in the last meeting.

KYL highlighted the issues discussed in Com-PNR Meeting No. 002/14 held on 5 June 2014.

- Mr. Cyrus CHIN and Mr. Ringo SHEA were nominated by the HK Construction Association (HKCA) and the HK Federation of Electrical and Mechanical Contractors (HKFEMC) respectively to be Co-opted Members of the Com-PNR.
- The scope of the following projects to be conducted by the Com-PNR in 2014 was endorsed.
 - Assessing the Performance of the HK Construction

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Industry: An International Comparison Study

- A Comprehensive Productivity Appraisal of the HK Construction Industry
- Integrating Constructability in Project Planning and Design
- Benchmarking the Construction Trade Productivity in HK

During the discussion of the above proposed projects, CT mentioned that Rider Levett Bucknall (RLB) was currently working as a consultant assisting CIC in compiling the KPI report. Members noted that SLI to avoid any conflicts of interest had declared his position as being one of the Directors of RLB, in the Com-PNR meeting.

CSW suggested discussing the KPI figures in the meeting.

[PMN: The publication of the Hong Kong Construction Industry Performance Report for 2012, including the KPI figures, was approved in the last meeting and were now available on the CIC website.]

Members had no comments on Paper CIC/CMT/P/019/14.

3.10 **3rd and 4th Meeting of Construction Industry Training Board for 2014**

Members were briefed by DP on Paper CIC/CMT/P/020/14 and CIC/CMT/P/021/14.

The four task forces under CITB had the following observations:

- The waiting time for a number of trade tests and training courses was quite long. Measures would be taken to shorten the waiting time.
- The target number of workers trained this year was 6,000. About 800 workers were trained under CCTS and SCTS. Remaining workers would receive in-house training by CIC or graduates of DVE Programme offered by VTC.
- The cost of providing CCTS and SCTS training to a worker was around HK\$50,000 and HK\$90,000 respectively. One solution was to offer subsidy for VTC craftsman and technician courses.
- Hiring of general labour and general trade instructor was in progress. Alternatives such as outsourcing or cooperating

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with private organizations to offer land survey training would be considered.

- To enhance the attractiveness of cooperative scheme, the amount of subsidy could be increased while reducing the number of training places.
- On the job training would also be strengthened as some trainees had difficulty in finding jobs.
- In the long run, CIC might play a coordinating role and cooperate with the government. The scheme might become mandatory rather than merely a voluntary cooperative subsidy scheme.
- The utilization of training space should be reviewed. The scope of the current consultancy study might not include training centres and variation of contract might be required.

The Chairman said that as discussed in the CITB meeting, both CCTS and SCTS would be maintained at the present stage. The training and development department already issued letters to relevant institutions such as HKCA and HKFEMC to speed up the implementation of CCTS and SCTS.

The government had allocated a total funding of HK\$320 million in the past 4 years to CIC for training 6,000 workers by the end of 2014. The funding would be used up and the Chairman had requested CT to check if CIC had sufficient financial resources to continue with the training.

SM-FIN

A Member representing the labour union expressed that there was a high demand for bar bending and fixing. The waiting time was about 6 months. CWG explained that this might be attributed to the good earning power of bar bender and fixer. However, the demand could not be fully met due to the constraints on instructors and venues. Follow up action taken to relieve the situation included setting a timetable and persuading the workers to be trained as carpenters.

In response, the Member said that a change in the promotional strategy was required. On 27 June 2014, a press conference would be held to announce the salary increase for construction workers. Other trades instead of bar bending and fixing would be emphasized this time.

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It was discussed that the low retaining rate of SCTS would be examined. Meanwhile, the provision of training scheme in cooperation with the trade union would be considered. The Housing Department was requested to make available some work sites for training several months before their construction projects commenced.

Members had no comments on other items in Paper CIC/CMT/P/020/14 and CIC/CMT/P/021/14.

3.11 1st Meeting of Steering Group on Implementation of CWRO Amendments

Members were briefed by DP and AL on Paper CIC/CMT/P/022/14.

The following issues were highlighted:

- The effect of CWRO amendments on training and trade tests requirements was discussed. It was expected that the demand on trade tests would increase.
- The inspection guidelines and the details of workers' registration card were also discussed.
- DEVB had prepared a schedule for inputting the information of workers and the result of surveys.
- The code of practice would be prepared in both English and Chinese.

HWW added that the CWRO Amendment Bill was expected to be enacted by end 2014.

Members had no comments on other items in Paper CIC/CMT/P/022/14.

3.12 3rd Meeting of Construction Workers Registration Board for 2014

Members were briefed by PC on Paper CIC/CMT/P/023/14.

The data analysis of construction workers in the first quarter of 2014 would be uploaded to the website after circulating among the CWRB members. The following issues were highlighted:

- The number of newly registered workers and that of the retired workers without renewing the registration was roughly the

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- same. That implied there was no net increase of workers.
- The average working days per week was increased from 5 to more than 5 days.
 - The ratio of workers with card record vs those without card record increased.
 - Members noted that the group of general workers was also made up of security guards, cleaning workers and clerical staff who needed to enter work sites to carry out their duties. The number of people involved was about 10,000. This figure was important for the planning of trade tests.

Members had no comments on other items in Paper CIC/CMT/P/023/14.

3.13 Any Other Business

1. The Chairman proposed a vote of thanks to Mr. Charles Wong for his contributions as he would retire in August 2014.
2. A Member wondered if CIC should play a role in dealing with illegal bid rigging. Response from the Members was summarised as follows:
 - The Home Affairs Department (HAD) had issued relevant guidelines to the owners' corporations (OCs).
 - To assist OCs to commission suitable consultants/authorised persons (APs) to carry out maintenance works, HAD in collaboration with the Hong Kong Institute of Surveyors, the Hong Kong Institution of Engineers and the Hong Kong Institute of Architects, launched a one-year pilot scheme to provide professional advice and support to OCs free of charge.
 - The Hong Kong Police Force provided crime prevention advice to OCs through the RenoSafe Scheme.

The Chairman concluded that as the issue of bid rigging was being dealt with by other parties, CIC would not take any action at this stage.

3. KP invited Members to join the public forum on the environmental impact assessment of the 3rd runway to be held

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on 28 Jun 2014.

The Chairman declared that he was a board member of the Airport Authority Hong Kong.

3.14 Tentative Date of Next Meeting 004/14

The next meeting was scheduled for 29 August 2014 (Friday) at 2:30 p.m. at Meeting Room 1, Construction Industry Council Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong. **All to note**

There being no further business, the open-door session of the meeting was adjourned at 5:10 p.m.

********End of the Open-door Session********