

Second Meeting of the EEC Subgroup on Business Facilitation

Agenda Item 3.3 : Regulatory Regime for the Construction Stage of Development Projects

Purpose

This paper sets out progress made by the Provisional Construction Industry Co-ordination Board (PCICB) in rationalizing the regulatory regime for the construction stage of building development projects and proposes a way forward.

Background

2. The PCICB was established in September 2001 to pursue reforms recommended by the Construction Industry Review Committee (CIRC) and serve as a pan-industry forum to forge consensus on strategic issues. It comprises a chairman and 24 members drawn from key industry sectors including construction clients, professionals, academics, consultants, contractors, workers, independent persons and government officials.

3. After a thorough analysis of findings made by CIRC, one priority area identified for immediate attention by PCICB is to achieve greater cost-effectiveness and productivity through rationalization/streamlining of regulatory procedures to shorten processing time, minimize conflicting requirements, encourage innovative designs and facilitate compliance. The Working Group on Construction Cost and Performance Indicators formed by PCICB has subsequently taken up this task.

Major Initiatives

4. The major initiatives pursued by PCICB can be grouped under two broad categories of building design standards and regulatory procedures.

(a) Design standards of buildings

5. The PCICB is collaborating with the Buildings Departments (BD) to replace prescriptive provisions contained in the Buildings Ordinance on a progressive basis with performance-based specifications to allow greater flexibility in building design and encourage innovation. BD has issued practice notes for performance-based requirements on provision of natural lighting/ventilation and site coverage control. A review of the (Building

Construction) Regulations has been completed while another review of the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) is nearing completion.

6. To address the high cost of building foundations in Hong Kong, the Real Estate Developers of Hong Kong has submitted a number of recommendations through PCICB to rationalize the design criteria and relax certain requirements. Some improvements have been incorporated into the revamped Code of Practice for Foundation currently undergoing industry consultation.

(b) Regulatory procedures

7. Furthermore, BD has embarked on an exercise to re-engineer the building plan approval process and implemented the first batch of new measures in July 2002 comprising pre-submission enquiry service for early clearance of fundamental issues and waiver of prior consent for minor changes to approved plans. Through the joint efforts of BD, Lands Department and Planning Department, a joint practice note was issued in August 2003 to extend pre-submission enquiry service to planning and lands matters as well as to simplify the approval of landscape plans.

8. Given the significant amount of time and resources involved with securing statutory approvals, PCICB is exploring with BD the possibility of introducing self-certification by accredited building professionals taking into account relevant overseas experience. With assistance and input rendered by PCICB, the former Business and Services Promotion Unit has also conducted a scoping study of the licensing and regulatory requirements affecting the construction industry and put forward a total of 11 quick-win solutions and 14 follow-up studies on statutory provisions administered by six government departments.

Way Forward

9. A comprehensive review of the entire development process could not be accomplished within a short period of time. With the headway already made by PCICB in tackling the construction stage of this process, it could be allowed to continue with this task and keep EEC regularly informed of progress. This would help to sustain the impetus gained thus far and avoid overlapping of efforts. In the meantime, the new task force to be set up by EEC to review the pre-construction development activities will maintain an active interface with PCICB.