

**Sixth Meeting of the
EEC Subgroup on Business Facilitation**

***Agenda Item 4 : Task Force to review the Construction Stage
of the Development Process
– 3rd Summary Report***

Introduction

This report provides a gist of discussions at the 3rd meeting of the Task Force to Review the Construction Stage of the Development Process held on 18 May 2005.

Private Certification of Building Submissions

2. The Provisional Construction Industry Coordination Board (PCICB) Secretariat had obtained further information on overseas experience through building professionals in Australia, Singapore and United Kingdom. Local building professionals were interviewed to obtain more in-depth information on the building plan submission process. An informal meeting was held in March 2005 to solicit views of the Structural Division, Building Division and the Authorized Person/Registered Structural Engineer Committee of the Hong Kong Institute of Engineers (HKIE) and to understand their concerns. While these efforts had led to useful findings, Members recognized the need to examine private certification holistically and considered the options of undertaking this exercise through commissioning a consultancy study, conducting trial runs on private certification and a combination of both.

3. Many Members were not in favour of a consultancy study since the issues with the regulatory regime had been thoroughly examined by the Construction Industry Review Committee. They preferred conducting trial runs to ascertain implementation issues and assess cost and benefits through actual operations. However, Buildings Department (BD) stressed the need to address implementation issues before considering trial runs since trial runs could not help devise solutions for problems such as liabilities of private

certifiers, availability of professional indemnity insurance and premium levels as well as the implications of private certification on Government.

4. As a consequence, Members agreed that a consultancy study be commissioned for examining private certification and formulating proposals for a trial scheme. The way forward could then be determined on the basis of the deliverables of the study. The study would be funded and procured by the Economic Analysis and Business Facilitation Unit. The Task Force would function as the steering committee advising on strategic directions. The PCICB Secretariat would undertake the day-to-day management and liaison with the consultants and prepare a study brief for circulation to Members.

5. On other related issues, HKIE advised that designers in UK would assume full responsibility for building designs while private certifiers would not take up any liabilities. The collapse of the temporary works for a deep excavation adjacent to Nicoll Highway of Singapore was cited as an example showing the possible drawbacks of private certification. However, the case related to an infrastructure project (the Mass Rapid Transit new Circle Line) and was therefore not relevant to building submissions. Members noted the opinion that the growing complexity of the regulatory regime had lengthened development cycles and become an impediment to investments in the local property market.

[Post meeting note –

The study was discussed at the meeting of the Legislative Council Planning, Lands and Works Panel on 13 July 2005 during which some panel members expressed strong reservation on the idea of outsourcing approval of building submissions to private entities and urged the Government to cancel the study. The Panel chairman subsequently wrote to the Financial Secretary to express the concerns of the Panel.]

Tracking of Status of Processing Building Submissions

6. Members considered the proposal for a web-based system for tracking the status of building submissions and enabling building professionals to get early notification of the major concerns of the checking authorities. As the concerned government departments were not yet

communicating electronically in building plan checking, the proposed system would not yield any additional benefits over the existing administration arrangement whereby BD copied comments made by other checking authorities to building professionals. Given the doubtful benefits, Members concluded that the proposed system should not be pursued for the time being. *BD agreed with this conclusion.*

7. A few developers had already been using web-based project management systems and achieved visible improvements in communication and collaboration among project participants. Members therefore agreed that a suggestion be made through the Economic and Employment Council Sub-group on Business Facilitation urging the Administration to keep pace with IT developments by developing electronic communication systems for building plan checking.

PCICB Secretariat
August 2005