

Fourth Meeting of the EEC Subgroup on Business Facilitation

Agenda Item 4 : Task Force to Review the Construction Stage of the Development Process – 1st Summary Report

Introduction

This report provides a gist of discussions at the first meeting of the Task Force to Review the Construction Stage of the Development Process held on 14 December 2004 covering the membership, terms of reference and work plan of the task force.

Membership and Terms of Reference

2. Members endorsed the membership and terms of reference of the task force at *Annex A* on the understanding that improvement measures recommended by the task force could include changes to statutory provisions. The task force would also discuss matters related to the pre-construction stage that would have impacts on the construction stage.

Work Plan

Priority tasks

3. Members endorsed a revised work plan (at *Annex B*) comprising six priority tasks for completion within 2005 –

- reduction of government involvement on detailed technical issues through self-certification and third-party certification of compliance with regulatory requirements;
- alignment of key development parameters (such as gross floor areas) under the various regulatory provisions;
- delegation of vetting authority by regulatory agencies to one and another to minimize repetitive submissions;

- centralized processing to integrate the checking of related statutory requirements into the processing of building plans (such as compliance with the conditions for issuing various types of licences);
- tracking the status of processing building submissions; and
- overall review of the regulatory framework for the construction stage.

4. The Buildings Department (BD) had presented the practices for self-certification and third party certification in Singapore, Australia, Japan and United Kingdom to the industry and obtained initial feedbacks on the way forward. The relevant information would be forwarded to the Secretariat for circulation to Members. BD advised that an inter-departmental working group had been established to tackle the alignment of the definitions of key development parameters.

5. On the tracking of status of building submissions, the task force would explore how to leverage on information technology (such as Internet portals) to enable building professionals to track the progress made by various government departments in processing their submissions and to contact the relevant departments in a timely manner to resolve any issues identified.

6. Members considered that the framework of the Buildings Ordinance, which was conceived a long time ago, could no longer cope with the increasing sophistication of the construction industry and the complexity of major building projects. It would therefore be worthwhile to conduct an overall review of the existing framework and explore the strategic directions for achieving alignment with the developments of the industry.

Deliverables

7. The deliverables of the priority tasks would identify improvement measures and provide appropriate explanation of their scope and high-level description of the major implementation issues and possible solutions. However, given the complexity of the subject, the deliverables of the overall review of the statutory framework would set out the strategic directions only.

8. In addition to taking part in discussions of the task force, Members undertook to contribute through written submissions for identifying problems and issues and suggesting possible solutions in relation to the discussion

items for future meetings. The Secretariat would prepare outlines for Members to submit their contributions and would develop the discussion papers on the basis of Members' input and the findings of more detailed research.

9. The Secretariat would collate for Members' reference the background information for the priority tasks, including relevant papers and progress reports of the Working Group on Construction Cost and Performance Indicators and reports for studies on the regulatory regime.

Follow-up Actions

10. The following follow-up actions were agreed –

- BD to provide information on overseas practices for self-certification and third party certification and the initial views of the industry on this initiative.
- The Secretariat to collate for Members' reference the background information on the priority tasks.
- The Secretariat to circulate the outline for Members to make written contributions on the discussion items for the next meeting of the task force.

PCICB Secretariat
January 2005

**Task Force to Review
the Construction Stage of the Development Process**

Membership and Terms of Reference

Membership

Chairman – Mr Francis Bong

Members

- ***Board Members***
 - Mr Peter Ayres
 - Mr James Chiu
 - Mr Martin Hadaway
 - Mr W H Lam
 - Mr C K Lau - also representing the Real Estate Developers Association of Hong Kong
 - Mr S S Lee
- ***Industry organizations and government department –***
 - Mr LIN Ming-ying - Kowloon-Canton Railway Corporation
 - Mr A M Gibson - MTR Corporation
 - Prof Bernard Lim - Hong Kong Institute of Architects
 - Ir Helen Kwan - Hong Kong Institution of Engineers
 - Mr Kenneth To - Hong Kong Institute of Planners
 - Mr T T Cheung - Hong Kong Institute of Surveyors
 - Mr Andrew Chow - Hong Kong Construction Association
 - Mr Martin King - Hong Kong Federation of Electrical and Mechanical Contractors
 - Mr K M Mo - Buildings Department
 - Ms Ada Fung - Housing Department

Terms of Reference

- (a) to conduct a review of current regulatory regimes governing the construction stage of the development process;
- (b) to recommend measures aimed at speeding up the construction cycle and reducing the cost for compliance with prevailing statutory requirements; and
- (c) to tackle other issues related to construction activities referred to it by the Economic and Employment Council and make regular reports on the progress achieved.

Preliminary Work Plan

[Changes are highlighted in bold italics.]

(A) Self-certification and third party certification

Milestone	Task	Deliverable
<i>Jan/Feb</i> 2005	Take stock of overseas experience in self-certification and third party certification	Summary of overseas experience
<i>Mar/Apr</i> 2005	Identify submissions suitable for self-certification and third party certification	<i>List of suitable submissions</i>
<i>May/Jun</i> 2005	Make recommendations on the way forward for self-certification and third party certification	Recommendations for self-certification and third party certification

(B) Alignment of definitions of key parameters

Milestone	Task	Deliverable
<i>Jan/Feb</i> 2005	Identify discrepancies in the definitions of the key development parameters	List of key development parameters
<i>Mar/Apr</i> 2005	Make recommendations for alignment to avoid inconsistencies and streamline the approval process	Recommendations for alignment

(C) Delegation of authority

Milestone	Task	Deliverable
<i>May/Jul</i> 2005	Identify repetitive and overlapping controls under the existing regulatory regime	List of repetitive and overlapping controls
<i>Aug/Oct</i> 2005	Make recommendations for removing overlapping control through delegation of authorities	Recommendations for delegation of authorities

(D) Centralized processing

Milestone	Task	Deliverable
<i>May/Jul 2005</i>	Identify statutory provisions whose compliance checking can be integrated into the processing of General Building Plans (GBP)	List of statutory provisions
<i>Aug/Oct 2005</i>	Make recommendations for integration of identified statutory provisions into the processing of GBP's	Recommendations for integration

(E) Tracking Status of Processing of Building Submissions

Milestone	Task	Deliverable
<i>Nov 2005</i>	<i>Identify functions and features of system for tracking processing status</i>	<i>List of functions and features</i>
<i>Dec 2005</i>	<i>Issues involved in implementation of system and possible solutions</i>	<i>Issues and solutions</i>

(F) Overall Review of Regulatory Framework for Construction Stage

Milestone	Task	Deliverable
<i>Nov 2005</i>	<i>Problems and issues arising from the existing regulatory frameworks</i>	<i>List of problems and issues</i>
<i>Dec 2005</i>	<i>Strategic directions for improving the regulatory framework</i>	<i>Strategic directions</i>