

CPI Committee: The New Engineering Contract (NEC)

On 13th November, the Construction, Property & Infrastructure Committee hosted a breakfast with Mr. C.S. Wai, the Permanent Secretary for Development (Works) and Mr. S.M. Ho, Chairman of the Task Force on NEC3 Collaborative Contracts, to discuss the current and future use of the NEC on Government projects in Hong Kong.

The NEC is a construction contract that differs from the standard form contracts presently in use in Hong Kong in that it expressly requires both parties to act in the spirit of mutual trust and co-operation. It also provides a framework for the early identification and resolution of issues and disputes.

Mr. Wai noted the considerable support within Government for the NEC and its more frequent use on Government projects, noting that the first NEC pilot public works project was completed without dispute, ahead of programme and within budget. Mr. Ho emphasised the underlying co-operative nature of the NEC and the cultural shift in attitudes required to effectively implement the NEC. Various concerns were noted by participants, including the risk of over modification of the NEC, the proper role of external consultants on a Project based on partnering principles, the considerable resources required to project manage an NEC based project and potential legal issues.

It was encouraging to note Government's commitment to the exploration and implementation of a collaborative based contracting system. The CPI Committee extends its gratitude to Mr. Wai and Mr. Ho for attending to share their views and experience of the NEC form of contract.

- Phillip Rompotis, Stephenson Harwood

CPI Committee: Breakfast update on the on the HK International Airport Expansion

Mr Kevin Poole was the guest-of-honour at a breakfast session with the Construction, Property and Infrastructure (CPI) Committee members last month. He was invited to present and discuss the proposed 3rd runway expansion project at Hong Kong International Airport and to provide a status snapshot of the present approval process and related challenges.



After introducing the project, Mr Poole gave a detailed overview on traffic development and growth in aviation in Hong Kong and the wider Pearl River Delta. In particular he made reference to the changes in flight and passenger profiles against initial expectations at the time of the airport's planning and construction. Hong Kong is a victim of its success. He also presented those projects which are currently under construction such as the Midfield Terminal and the Western Airfield enhancements. Furthermore he explained the drivers for the latest status of the 3rd runway layout and the adjacent Terminal Pier development. He also provided details about the Terminal 2 refurbishment and future link to the new Pier.

The subject of the Environmental Impact Assessment (EIA) process was discussed in some detail. Mr Poole explained why this issue is currently in the press and represents a significant challenge within the approval and acceptance process. He also mentioned the Social-Environmental Impact Study, which is a request by a number of social representation groups, who question the present approach of the implementation and scale of the airport expansion.

All members agreed that Hong Kong's specific profile and role as a historical trade route hub depends on infrastructure projects such as Hong Kong International Airport, which are a crucial element of Hong Kong's sustainable growth.

The challenges facing the present and future workforce market, in particular in the construction sector, were also discussed. Mr Poole confirmed that the airport expansion will have a major demand for workforce especially after the land reclamation during construction of the Terminals and airfield infrastructure.

- Caspar Baum, EC Harris

Movember update!



We had some great interest in the inaugural year of Movember in Hong Kong with some great individual and team efforts in raising much needed funds for the Hong Kong Cancer Fund.

Hong Kong Cancer Fund is Hong Kong's largest cancer support organisation, providing free information, professional guidance and peer support to anyone living with or affected by cancer.

You can still donate to this very worthwhile cause by going to the AustCham Hong Kong Movember Network page <http://hk.movember.com/mospace/network/AustChamHK> where you will find links to teams and individuals including AustCham Board Directors Andrew Steadson and Phil Ingram (please see after shots below..) and sponsoring them and others for their Mo growing efforts!



Movember will be back in 2013 so please get involved or sponsor a friend next year too!

- Andrew Quinlan, AustCham

People Forum: The hidden connection between employment and social media

With the proliferation of online social media networks in recent times, it is essential for employers to put in place policies to govern their use in the workplace. This was my theme at a recent People Forum briefing on "The hidden connection between employment and social media". "Social media can no longer be ignored by employers in today's world but they don't need to be intimidated by it".

The use of online social media in connection with HR presents some interesting challenges and real problems: misuse of social media during or outside of work to the damage or disadvantage of employers; staff who have been dismissed after posting inappropriate comments about colleagues; and the fine line between public and private lives. There are substantial legal issues lurking beneath each of these examples including questions like: is it lawful to vet a job applicant using social media sites? How much is too much social media at work and how do employers restrict or monitor its use? How should employers manage reputational risks associated with its use?

Ellen Cheng, HR Legal Director Intel Semiconductor (US) Ltd's Greater Asia Region, co-presenter at the briefing, gave the attendees insight into what Intel does in relation to online social media. It was very interesting to hear Intel's 3 (simple) rules of engagement for use of online social media and how they and the Hi-tech industry generally view Social Media in the work place.

- Hong Tran, Partner, Mayer Brown JSM