

16 APRIL 2021

CORRECTION NOTICE ON BIPC JOINT STATEMENT

BIPC would like to apologise on a typographical error appeared in our joint statement dated 25 March 2021. The correct version as below.

BIPC OBJECTS THE EXPANSION OF HUMAN RESOURCES DEVELOPMENT FUND (PSMB) ACT 2001 TO COVER CONSTRUCTION INDUSTRY

The Building Industry Presidents' Council (BIPC) strongly objects the new ruling on the expansion of the Human Resources Development Fund (PSMB) Act 2001 (Act 612), which included the construction industry with effect from 1 March 2021.

The building and construction industry has always been under the governance of CIDB. CIDB has been undertaking the role of training and development of construction personnel and workers through levy collection from contractors in line with the amended CIDB Act 520. Contractors are required to undergo and attend skill accreditation courses and trainings organised by CIDB and to collect the Continuous Contractor Development (CCD) programme points before they can renew their license with CIDB.

For the professional services involved in the construction industry, each is regulated by the respective Professional Board formed under their respective Act.

Profession	Governing Body	Governing Act
Architect	Board of Architects Malaysia	<i>Architects Act 1967</i>
Engineer	Board of Engineers Malaysia	<i>Registration of Engineers Act 1967</i>
Quantity Surveyor	Board of Quantity Surveyors Malaysia	<i>Quantity Surveyors Act 1967</i>
Town Planner	Board of Town Planners Malaysia	<i>Town Planners Act 1995</i>
Land Surveyor	Board of Land Surveyors Malaysia	<i>Licensed Land Surveyors Act 1958</i>

Architects, Engineers, Quantity Surveyors, Town Planners and Land Surveyors are regulated under their respective professional boards which require these professionals and their firms to pay their annual renewal of registration fees and are also subjected to compulsory learning and training under the Continuing Professional Development (CPD) programme as approved by the respective Boards. Therefore, it would not be necessary for the construction companies and the construction professionals' firms to be registered and be further charged with the HRDF levy for the human resource development and training. The HRDF levy will be redundant on top of the fee the industry is already paying to CIDB. In any case, they have been exempted from registration with HRDF all these years and this arrangement is proven to have worked well.

Members:

- (1) ACEM - Association of Consulting Engineers Malaysia
- (2) IEM - The Institution of Engineers, Malaysia
- (3) MBAM - Master Builders Association Malaysia
- (4) MIP - Malaysian Institute of Planners
- (5) PAM - Pertubuhan Akitek Malaysia
- (6) REHDA - Real Estate and Housing Developers' Association Malaysia
- (7) RISM - Royal Institution of Surveyors Malaysia

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As such, it would not be right for the construction industry and the professional services to be registered and be charged a levy under the HRDF for the human resource development and training of construction and professional services companies, personnel and workers.

BIPC wishes to highlight that the construction industry is strongly linked to 180 other industries and businesses related to property development. **The sector also employs about 1.4 million workers and a paying salary of about RM40 billion yearly.** Presently, the businesses in building and construction industry have been severely affected by the COVID-19 pandemic where huge expenses have been utilised for the purpose of COVID-19 screening of workers and staff. At the same time, companies are struggling to restructure workers accommodation to comply with the amended Act 446 under the Emergency Ordinance.

Furthermore, there are many other legal liabilities being brought upon the industry which is already facing many legal risks and compliance not to mention additional financial stress on cash flow. The cost of doing business and regulatory burden will also increase due to the said implementation. Many contractors and professional service providers are already facing significant challenges to just survive. Another substantial levy contribution to HRDF will only further drive the construction industry to the ground.

Therefore, BIPC hopes that the Ministry of Works, CIDB and the respective Professional Boards will urgently look into this matter and protect the respective stakeholders' interest in the challenging times now.

This statement is endorsed by BIPC members comprising (in alphabetical order) of the following bodies:

- a. Association of Consulting Engineers Malaysia;
- b. The Institution of Engineers, Malaysia;
- c. Malaysian Institute of Planners;
- d. Master Builders Association Malaysia;
- e. Pertubuhan Akitek Malaysia;
- f. Real Estate and Housing Developers Association Malaysia; and
- g. Royal Institution of Surveyors Malaysia

The Building Industry Presidents' Council (BIPC) was formed in 1997 to be a pro-active platform comprising Presidents of well-established and leading professional NGOs in the Building and Construction Industry. It is a platform to address common issues faced by industry stakeholders and thrives for the betterment of the industry. BIPC comprises seven (7) members namely **ACEM** - Association of Consulting Engineers, Malaysia, **IEM** - the Institution of Engineers, Malaysia, **MBAM** - Master Builders Association, Malaysia, **MIP** - Malaysian Institute of Planners, **PAM** - Pertubuhan Akitek Malaysia, **REHDA** - Real Estate and Housing Developers' Association, Malaysia and **RISM** - the Royal Institution of Surveyors, Malaysia.

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