

BIPC CALLS FOR THE MANDATORY HRD CORP LEVY COLLECTION FOR THE BUILDING INDUSTRY TO BE DISCONTINUED

Following the recent allegations of misappropriations surrounding the Human Resource Development Corporation (HRD Corp), the Building Industry Presidents' Council (BIPC) chaired by IEM President, Ir. Prof. Dr Jeffrey Chiang Choong Luin reinforces its objection towards the mandatory HRD Corp levy collection for the building industry.

The BIPC had previously written to the Ministry of Human Resources, Ministry of Works and Ministry of Housing and Local Government in 2021 strongly objecting 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.

Our stance on the matter remains the same given that 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.

Furthermore, 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 annual renewal fee and are subjected to compulsory learning and training under 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 charged with the HRD Corp levy for the human resource development and training.

The cost of doing business has also increased with the rising fuel costs and subsidy rationalisation in the sector coupled with this mandatory HRD Corp levy collection for the building industry.

We ask for the Government's intervention to facilitate and assist the industry stakeholders and not to further burden the industry with the imposition of additional cost as such substantial levy contribution to HRD Corp which is not in the best interest of building and construction industry.

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

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.

END

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