

Rehda, MBAM want government to bear construction workers' testing costs



The high testing cost per person translates to a considerable amount that contractors need to bear, as a construction site typically has hundreds of workers. (Photo by Low Yen Yeing/EdgeProp.my)

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PETALING JAYA (May 6): The Real Estate and Housing Developers' Association (Rehda) Malaysia and Master Builders Association Malaysia (MBAM) are appealing to the government to bear the cost for Covid-19 tests for construction workers.

They also reiterated a call to introduce a Temporary Measures Bill to protect all contracting parties from unnecessary litigation as soon as possible.

The associations said in a joint press statement today that these two critical issues require quick intervention from the government.

Rehda Malaysia President Dato Soam Heng Choon and MBAM Secretary-General Eric Yong Shang Ming pointed out that following the resumption of construction works, if it is found that the site's contractor has failed to practise the Site Operating Procedures (SOPs) as per the guidelines issued by the Construction Industry Development Board (CIDB) and caused a Covid-19 outbreak in the site, the contractor shall be responsible for all cost in resolving the outbreak.

"The estimated cost per swab test is around RM350 to RM650 per person, depending on volume. The high cost per person translates to a considerable amount that contractors need to bear as a construction site typically has hundreds of workers. This would incur heavy costs to construction companies, adding to all other mobilisation costs as well as losses since the beginning of the Movement Control Order (MCO) on March 18," they said.

They also hoped that the government could immediately look into the capacity and speed of Covid-19 test results for all construction workers. Soam and Yong noted that presently, Malaysia has tested approximately 220,000 people with a capacity of 16,000 to 20,000 tests daily.

"With millions of workers returning to work at the same time, there will be a rush to do the tests. Feedback from a member developer informed that out of his 14 workers sent for testing, only three managed to be tested after a five-hour queue while the other 11 had to wait for a few more days to secure their slots which are still unconfirmed.

"News on the media are also going viral on the massive queue of foreign workers seeking for the test at a clinic to the extent of infringing the one-meter social distancing SOP by the Health Ministry," they elaborated.

Due to inability to cope with such high demand, Rehda and MBAM hope that the government could reconsider alternatives such as Rapid Test Kit which is faster, cheaper and readily available. The PCR Swap Test could be carried out only if there is an outbreak within the site or used only intermittently and selectively.

On another note, MBAM strongly echoed Rehda's call made on April 8, 2020 for a Force Majeure Bill or a Legislative Intervention, similar to those that have already been introduced in other countries such as Australia, Ireland, Scotland, Hungary, the UK (UK Coronavirus Act 2020) and Singapore (Covid-19 (Temporary Measures) Act 2020).

This bill will statutorily protect all contracting parties from unnecessary litigation and provides temporary relief for businesses and individuals who are unable to meet their contractual obligations during this period.

The associations also suggested to include the essential provisions below:

- 1 To have a retrospective effect from February 2020;
- 2 A moratorium (with a defined period) from actions for inability to perform, such as up to the end of the year. This moratorium should also include a bar from commencing and continuing legal proceedings, including enforcing any security, taking any insolvency-related measures or steps, commencing any execution, distress, eviction or re-possession actions, and enforcing any judgements, awards and determination;
- 3 Temporary relief for companies, and individuals in facing financial difficulties;
- 4 Relief from the happenings or events that have arisen during the MCO;
- 5 For the property industry, it should cover construction contract and supply contract;
- 6 Any call on performance bond to be prohibited during the moratorium period; and
- 7 Protection for directors from personal liability for any trading carried out during the moratorium period despite their companies being insolvent.

“We respectfully request for the government to table the bill during the upcoming Parliament seating on May 18 on an urgent basis as this temporary measure is most crucial during this period to effectively protect all stakeholders including developers, builders and purchasers,” Rehda and MBAM stressed, adding that they pledge to continue playing their parts in this process and beyond.