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Building sector urged to raise productivity

Grace Fu spells out details of \$250m fund to lift output

By JESSICA CHEAM

DETAILS of a \$250 million fund to raise productivity in the construction sector were unveiled yesterday.

It allows builders to apply for 50 per cent to 80 per cent funding for a variety of activities such as workforce training, technology adoption and scholarships.

The Senior Minister of State for National Development and Education, Ms Grace Fu, said yesterday that the fund, which will be run by the Building and Construction Authority (BCA), will be officially launched next Tuesday.

Ms Fu said at the BCA annual award ceremony, held at Shangri-La Hotel last night, that the building sector has achieved an average of 0.7 per cent productivity growth annually for the past decade. She noted its labour-intensive nature and heavy dependence on a low-cost foreign workforce.

"We need to move away from the business-as-usual mode and look hard into ways to enhance construction productivity," she said.

Finance Minister Tharman Shanmugaratnam announced the \$250 million Construction Productivity and Capability Fund in his Budget speech in February. He observed then that productivity in the

local construction sector was about half that of Australia and a third of Japan's. The fund will help the industry raise output while complementing other government measures such as raising foreign worker levies and lifting standards in building legislation.

Ms Fu also said the BCA was exploring ways to expand its certification scheme CoreTrade to include the registration of construction supervisors.

The long-term aim is to attract and retain more experienced workers.

The BCA is setting up a "one-stop" Construction Productivity Centre to help the industry push for higher productivity.

Ms Fu also told the media last night that there will be a short-term impact on the industry as costs rise, but that the fund will help companies start looking in ways to become more cost-efficient.

Industry players yesterday welcomed details of the fresh funds.

The Singapore Contractors Association president Andrew Khng said it will "come as relief to builders who are facing rising construction costs".

"This will certainly help the industry to move forward in terms of productivity. As for the pace of change, this depends on how quickly it responds to the incentives and implements changes," he said.

The BCA said the fund has seven specific schemes to tackle areas such as technology adoption, manpower development, skills upgrading and capability building in niche areas.

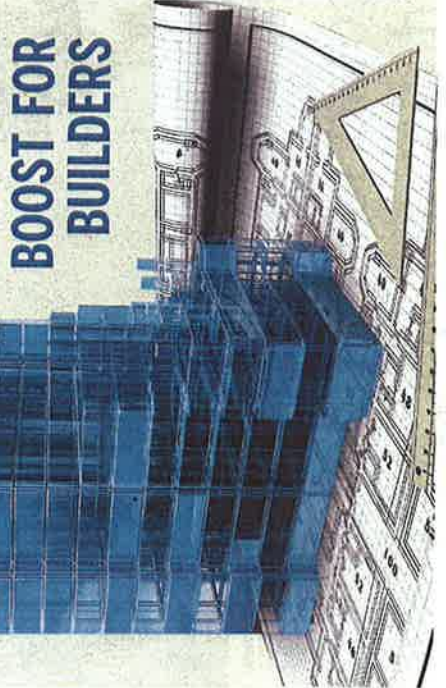
It said a group of firms is already planning to apply for up to 50 per cent funding, or up to \$100,000, for a project which involves using "self-flow concrete". This can reduce the number of workers required for concreting work by at least two-thirds as it reduces the need for cement vibrators, saving both time and cost.

The BCA will also provide funding for firms to hire external consultants that help improve productivity in specific building processes and also for scholarships for undergraduate, postgraduate and overseas training courses.

BCA chief executive John Keung said the fund marks "a new era for the construction industry". He said the money meant to be disbursed over five years, could result in improvements "very quickly", especially if contractors are quick to adopt new technology.

The industry's target is aligned with the national target of 2 per cent to 3 per cent productivity growth per year for the next decade.

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BOOST FOR BUILDERS

PARADIGM SHIFT
 "We need to move away from the business-as-usual mode and look hard into ways to enhance construction productivity."
 Ms Grace Fu, Senior Minister of State for National Development and Education, on the sector's labour-intensive nature and heavy dependence on a low-cost foreign workforce

Type	What is funded	How much
Workforce training and upgrading BCA-Industry Built Environment Scholarship	Selected training courses Undergraduate study scholarships	Up to 80% of fees 50% of the annual scholarship sum, capped at \$7,000
Mechanisation Credit (MechC) Productivity Enhancement Voucher	Buying/leasing equipment that improves productivity Engaging institutions or external consultants	Up to 50% co-funding for equipment, with caps Up to 50% co-funding, capped at \$20,000
Productivity Improvement Project BIM Fund	Projects which involve the application of technology and re-engineering Cost of adopting Building Information Modelling (BIM) technology	Up to 70% co-funding with caps Up to 50% co-funding, with caps
Construction Engineering Capability Development	Postgraduate scholarships, overseas study trips, professional services and construction financing	Up to 60% co-funding, with caps depending on type of application

*Firms applying for the funds above should be registered and operating in Singapore

Source: BCA