

The Malta Chamber of Commerce, Enterprise and Industry recommendations on the new Building and Construction Authority

Introduction

The Malta Chamber of Commerce, Enterprise and Industry has already gone on record in welcoming the recent publication of the white paper to establish a new building and construction regulator. The Chamber welcomes the reasoning behind the creation of this authority, not least, because our organisation believes that the construction and building industries are a crucial segment of the economy which require one focal point acting as a regulator to this industry. From the onset, the establishment of this new authority promises to increase the quality and standards in this sector not least by having simplification and codification of the fragmented enacted legislation.

It is essential that the new regulator has a research, educative and training arm within its structures which will in turn assist the industry to further modernise and innovate its current work practices and materials and technology used in construction. The future proofing of the industry will also require that an element of forecasting of the needs and skills required in the years to come is carried out. Learning from what other countries are doing can go a long way in helping us achieve this aim. This does not mean that we should completely depend on advancements made abroad but rather assimilate the international good concepts and best practices and seek their application, where applicable, within the Maltese context.

The Chamber has prepared some more feedback following discussions with several stakeholders in the industry such as contractors, developers, professionals like engineers and architects, and other service providers. The Chamber's feedback is based on a number of key principles which it is felt are essential if we wish this project to succeed.

Beyond the key principles mentioned below, the Chamber reiterates that it welcomes the proposal as a first step in the right direction to modernise and make this important Industry more sustainable in the future.

Key Principles

- **Enforcement in order to offer a level playing field is key**

There is a clear need for the new authority to act as a strong regulator. At present many foreign operators are working in Malta without the necessary licensing or authorisations to operate in Malta. This is creating an unlevel playing field between local and foreign operators. The enforcement cannot stop only at builders or contractors' level as the situation is more widespread and we need to extend it further to include controls on stone masons, service providers and also professionals such as architects. An effective enforcement unit needs to be in place

- **Need for increased resources**

The merger of the four bodies namely the BICC, BRB, BRO and Stone Masons board will not result in more efficiency and less fragmentation unless the right resources are supplied to the new entity. Further to this we believe that 4 entities which will make up the new authority were under-staffed which means that the new entity will also need to recruit more professionals with the right skills.

- **Educational and training role of the new authority**

It is the Chamber's opinion that this new role of the authority will be key to safeguard the future proofing/sustainability of the building and construction industry. The educational and training role should not limit itself solely to the direct stakeholders of the industry. An outreach and marketing campaign should be initiated to educate the general public, in order to change the negative perceptions people, have of the industry.

It is even more important to introduce new standards for the industry coupled with mandatory training based on a continuous professional or vocational education (CPEs or CVEs) system which can be found in a number of professions and vocational roles. Any worker, including foreign nationals, wishing to ply his trade in the industry should be obliged to attend a set number of sessions, every year, depending on his profession. Learning outcomes and new skills for each profession should be established for each CP/VE credited course.

- **Regulator should act as key interface**

The new regulator should act as key interface not only with the whole industry but more so with the general public. The white paper refers to the new agency as having a one stop shop role within the industry. It is the Chamber's belief that it should also act as a single point of contact with the wider community and the general public.

- **A clear Roadmap**

The white paper sets the general principles of the new authority which include the new role, formation of the board etc. Ideally, this roadmap which in this case is the white paper needs to convey the strategic direction for your authority. How will, for example, this new entity interact with the Planning Authority, other major Governmental departments, stakeholders and even the broader community. This needs to be clear from the onset. Are the vision and the strategy clear? Are all internal and external stakeholders aligned with the thought process as elaborated in the white paper? These are all important issues which need to be factored in because if your key stakeholders are not fully in line with the Government's vision and strategy of the new entity, the new authority

Every effort must be made to bring everyone on the same page, in order to explain the benefits of moving the Industry forward whilst safeguarding the sectors' sustainability.

- **No need to re-invent the wheel**

The Malta Chamber is a staunch believer in learning from other abroad have done before us. A number of European countries have already undergone this transformation in their construction and development industries in the past decades. Malta should not be the first country to re-invent the wheel but rather learn from international best practices of how these reforms were carried out and any regulatory changes must reflect these international developments.

- **Legislative Lacunae**

Without entering into the specifics of which legislation requires amendments or even repeals, the Chamber feels that there is a clear need for a complete overhaul of the same body of laws which in many cases is outdated. A clear exercise is required to undergo an independent study to analyse the whole legislative framework impacting the industry. Once this is concluded, any superfluous or outdated legal requirements must be repealed or amended to reflect the present situation.

- **The restructuring and continuous improvement cannot stop once the new Authority is established**

It is clear, that with any reform of these proportions, concrete results will only be achieved, first and foremost, if there is the will from all stakeholders to change and most importantly improve. Secondly, this reform cannot be just a tick the box exercise but rather to truly modernise the industry and change the current situation. The reform must not stop at establishing the new Authority and amalgamate the current fragmentation that exists in this field. That would be purely a cosmetic change. The

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new authority must strive to regulate and enforce, educate and motivate the industry and general public to make this industry excel.

The days of complacency should have gone a long time ago, the country and its economy and society are changing every day. If the new regulator is an agency that brings change how will it be able to steer the industry in the right direction and make it more sustainable in the future?

That is why the reform must not stop once the authority is established and the industry demands that annual targets are place for the new entity which will be achieved. The new law establishing the authority should include a clause which establishes the need for a periodical (5 year) review of its internal structure and what it has been achieving similar to what the pension reform established back in 2006.