

'HRDF has no right to consolidate unutilised funds'

Jonathan Wong,
jonathanwong@theborneopost.com

April 14, 2016,
Thursday



Abang Karim (right) and Shamsuddin are seen during the joint press conference yesterday.

KUCHING: The Sarawak Chamber of Commerce and Industry (SCCI) and the Malaysian Employers Federation (MEF) strongly object the move by the Human Resources Development Fund (HRDF) to convert unutilised funds under the 1Malaysia Globally Recognised Industry Professional Certificate Programme (1MYGRIP) without the consent of Sarawakian employers.

SCCI president Datuk Abang Abdul Karim Tun Openg strongly objected the decision by HRDF to transfer the unutilised RM71.1 million employers' fund to a consolidated fund, especially without the consultation and consent of employers in Sarawak which contributes to HRDF.

"We see it as our duty to raise awareness of this issue to employers in Sarawak," he said during a press conference yesterday.

"The utilisation of the funds does not fully benefit employees in the state compared to those in the peninsular as Sarawak is constrained in part by its size, communications network as well as inadequate facilities.

"As such there is a greater need for constant consultation with the stakeholders in the state."

To note, the unutilised fund under the 1MYGRIP was implemented on August 1, 2015 whereby 30 per cent of employers' monthly one per cent contributions – roughly RM86.3 million – was channelled into the 1MYGRIP account starting June 2015 to fund the training of employees of HRDF registered employers.

However, of the RM86.3 million that was channelled to the programme, only about 17 per cent or RM15.2 million was utilised to date, giving rise to the unutilised amount of RM71.1 million.

Based on a HRDF circular dated Dec 22, 2015, it was highlighted that the remaining RM71.1 million will be put into a consolidated fund to be utilised by HRDF registered employers on a 'first come, first serve' basis.

MEF executive director Datuk Shamsuddin Bardan noted that based on the industry's meeting with HRDF, informed that HRDF still intends to continue with their plan to utilise 30 per cent of the employers unutilised fund to run training programmes.

“We are worried that if it is first come first serve basis, the employers that are not ‘big enough’ or do not have a full fledged human resources department, may not be able to get any benefit from the fund – making these smaller employers to lose out on the funds,” he said.

“We want the fund that belongs to the contributors be returned to the contributors. Under section 23 of the HRDF act, the act dictates that HRDF is a trustee to the fund, what we are saying is that the trustee can only act at the direction of the beneficiaries.

“In the event that HRDF wants to use the money and put it into a consolidated fund, then the beneficiaries must give consent to that or there will be a lot of legal consequences to that,” added Shamsuddin.

Besides employees of HRDF registered employers, the 1MYGRIP is also offered to employees of non-HRDF registered employers who will be funded through the RM150 million government grant allotted specifically for the 1MYGRIP.

“It is both perplexing and unsettling for us to note the rate of which the fund was snapped up,” said Shamsuddin.

“The first tranche of the RM50 million grant was fully taken up within two weeks whereas the second tranche of RM50 million was taken up within two hours upon released by the government.

“It is also unclear how much of the RM100 million government matching grant released thus far was used to fund the training of employees of the HRDF registered employers,” he added.

Shamsuddin also shared MEF’s concern with regards to the equitable usage of the contributions based on the available balance in individual company accounts, such as a company which has utilised all of its contribution versus a company which has not.

The matter of contention is compounded by the issue of among others, inaccessibility of approved courses at approved training providers, insufficient funds in the individual employers’ 1MYGRIP accounts and expensive courses.

Both SCCI and MEF are of view that the 30 per cent unutilised fund of the employers under the 1MYGRIP be returned to individual employers’ accounts at the end of the 1MYGRIP which is end of April 2016.

This service is provided on BorneoPost online standard [Policies and Conditions](#). Copyright 2010-2015 BorneoPost Online. All Rights Reserved.