

Workers' housing: Companies plead for more time to comply with Act 446



By [Mohamed Basyir](#) - December 1, 2020 @ 6:19pm



Federation of Malaysian Manufacturers (FMM) president Tan Sri Soh Thian Lai. - NSTP/File pic

KUALA LUMPUR: Companies and employers are facing challenges in complying with the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446).

The act, which seeks to put in place improved accommodations for foreign workers, is facing headwinds brought about by the Covid-19 pandemic.

Amongst the challenges faced is that local councils have yet to issue standard operating procedures on the process.

There is also no definite timeline set to assist the industry with the necessary required approvals or endorsements needed as a pre-condition to apply for the Certificate for Accommodation from the Labour Department.

Federation of Malaysian Manufacturers (FMM) president Tan Sri Soh Thian Lai told the New Straits Times that this has forced companies to hold back their application submission, which in turn, contributes to the low number of companies declaring their approved accommodations.

He stressed that industry players need time to adapt and fully implement the necessary changes as required under Act 446.

"The FMM has actually requested for a 12-month grace period for companies to undertake the extensive adjustments according to the requirements of the law with an assurance of a detailed action plan by companies on their compliance strategies without the imposition of any immediate penalty which is very punitive during this very challenging time.

"This period can be used to continually educate the industry, and for the authorities to issue a notice of non-compliance for improvements by industry in conformity to the provisions of the law within a specified timeframe appropriate to the areas of non-compliance," he said today.

Other challenges faced are the lack of suitable accommodation available, and the cost involved in renovating accommodation space according to specifications in the local councils' guidelines.

Industries also face objections from local residents on housing workers at premises in residential areas in close proximity to industrial estates, he said.

With a Covid-19-dampened economy, he said most companies are also juggling their operations towards business recovery.

Labour Department director-general Asri Ab Rahman revealed that only 655 worker dormitories have been declared to the department out of over 54,000 nationwide.

The enforcement of Act 446 began today.

Malaysian Employers Federation (MEF) director Datuk Shamsuddin Bardan also pleaded on behalf of employers for more time to comply with the requirements on housing and accommodations for workers.

He said the requirements translate to additional costs and employers are not in the financial position to be able to do so at the moment.

"It is not surprising that only a few submitted the declaration.

"The low compliance rate is due to the fact that improvements required under Act 446 and the regulations are very costly and most employers are currently facing cash flow problems," he said.