

**SECOND READING SPEECH BY MR DESMOND LEE, MINISTER FOR SOCIAL AND FAMILY DEVELOPMENT AND SECOND MINISTER FOR NATIONAL DEVELOPMENT, FOR THE PROFESSIONAL ENGINEERS (AMENDMENT) BILL 2017**

Mr Speaker Sir, I beg to move, "That the Bill be read a second time."

2 A Professional Engineer (PE) is an engineer certified by the Professional Engineers Board (PEB) as being qualified and competent to undertake professional engineering work. Such work includes planning for and designing complex structures and machinery, supervising their construction, as well as maintaining their safe operation.

3 The Professional Engineers Act provides for the registration of PEs, regulates their conduct, and licences entities supplying professional engineering services in Singapore.

4 The Act regulates the four prescribed branches of engineering which are directly relevant to our built environment. These are civil, mechanical, electrical, and chemical engineering. Not only do these PEs design and oversee the construction of structures, systems, plants, and facilities, but they are also responsible for conducting regular checks. The Act provides a basis to hold PEs legally accountable for the important work that they do. All this contributes to ensuring public safety.

5 The Act was last amended in December 2005. Since then, the number of registered PEs has increased by 20% to around 3,900 today. The number of licensed entities providing professional engineering services has grown to two and a half times, from 76 to over 200.

6 The operating environment is also different. Globalisation has opened new overseas markets, but also brought in new players. Singapore has been making a big push to raise productivity and quality in the built environment. The Construction Industry Transformation Map (ITM) which will be launched later this year will set out strategies to help our construction industry move up the value chain, and capture

growth opportunities in Singapore and abroad. PEs will play an instrumental role in this effort.

7 To address the changing needs of the industry, the Ministry of National Development and the PE Board (PEB) undertook a comprehensive review of the Act. We have proposed three sets of amendments to strengthen the profession so that our PEs can do their work well.

8 One, raising the standards and professionalism of PEs. Two, helping Singapore-registered PEs capture overseas opportunities. Three, making existing requirements more enterprise-friendly. As part of the review, we also sought the views of industry associations, government agencies, institutes of higher learning, and PEs, and received support for the proposed amendments. Allow me to go through each of these categories.

### **Raising standards and professionalism**

9 The first set of amendments is intended to raise the standards and professionalism of PEs. Given the crucial role played by the PEB, several are designed to strengthen the Board's role as an advocate and regulator.

10 First, we are proposing to expand the PE Board's scope of functions to allow the Board to undertake more activities to develop the PE profession. Today, the PEB is limited to promoting learning and education in connection with engineering. The amendment in clause 6(b) will expand that role to include more development and advocacy. For example, PE Board will now be able to work with the Institution of Engineers and other industry associations to support the Construction ITM and assist with its implementation. This includes championing initiatives to push for the adoption of digital engineering, as well as pooling resources and conducting courses on relevant skills. This will help to strengthen the capabilities of the profession.

11 Second, we want to give PE Board the flexibility to appoint any individual to its committees to assist the Board. Currently, committee members can only come from the PE Board, or be a PE or allied professional. This can limit the work of some

committees. The amendment in clause 7 will allow the Board to tap on a wider range of expertise – such as lawyers, accountants – where necessary and appropriate.

12 Third, we want to provide the Board with a wider range of tools to carry out its regulatory role. This includes greater flexibility to calibrate penalties according to the severity of infringements of the Act. Currently, the PEB is faced with rather binary choices. It can either impose a penalty of up to S\$20,000, or it can revoke licences to practise. Clause 18(b) will now increase maximum financial penalties to S\$100,000 for serious infringements with public safety implications. This is in line with those of other specialised professions such as architects. At the same time, PEB will have the option of taking a lighter touch, through censuring errant firms for minor infringements, where monetary penalties or licence revocation is too severe.

13 Fourth, we are proposing to allow the Board to appoint investigators to conduct more in-depth investigations for serious offences. Currently, the Board relies on statements and evidence voluntarily provided by parties. But sometimes, cooperation may not be forthcoming from parties concerned. The amendment in clause 21 will allow investigators to apply for warrants from Magistrates to search premises for evidence. There will be conditions and limitations imposed on the investigators to ensure that these powers are not abused.

14 Finally, clause 11 makes explicit that clients who unknowingly paid for professional engineering services supplied by unauthorised persons, may recover their money through the Courts. This is not explicitly stated in the current Act.

### **Capturing opportunities abroad**

15 The second broad set of amendments are designed to help Singapore-registered PEs capture overseas opportunities. Singapore-registered PEs seeking to practise in another country generally need to go through the qualification process in that country. This could include having practical experience in that country. But Mutual Recognition Arrangements (MRAs) can help streamline this process.

16 Clauses 9 and 10 will help to facilitate and support the execution of such MRAs, including the ASEAN MRA which was signed in 2005. ASEAN countries have been working together to implement the MRA's terms. The MRA framework is expected to be fully in place in all ASEAN countries by the end of this year. With these amendments, Singapore-registered PEs who meet the requirements specified in the MRA can be recognised as ASEAN Chartered PEs (ACPEs). ACPEs can apply to the professional authorities of other ASEAN countries to practise in collaboration with their local PEs – without having to go through the full qualification process. These amendments make it easier for Singapore-registered PEs to offer their services in other ASEAN countries.

17 As with all agreements of this nature, the benefits will be reciprocal. Foreign engineers registered in ASEAN states can also be authorised by the Board to supply professional engineering services in Singapore, provided they do so in collaboration with our local PEs. But ultimately, our PEs stand to benefit, as they will gain easier access to larger markets in our region. That said, we will monitor our PEs' internationalisation experience through the MRA, and work to resolve any issues that may arise.

### **Pro-enterprise efforts**

18 The last set of amendments are pro-enterprise changes that make existing requirements less onerous. Let me go through two of these.

19 The first proposal will allow professional engineering companies to engage specialist PEs as consultants so that they can take on more complex projects. Currently, companies can only provide professional engineering services that PEs in their direct employment are qualified to offer. As most firms do not have PEs in every discipline as permanent staff, this may limit their scope to bid for more complex projects. Clause 15(c) will now allow firms to expand their capabilities by sub-contracting specialised professional engineering works to qualified specialist PEs. For instance, a company licensed in civil engineering could engage a specialist PE in geotechnical engineering as a consultant, thus allowing the firm to provide end-to-end services for projects involving underground geotechnical building works.

20 The second proposal, which is in clause 9(d), will allow builders to directly employ PEs to undertake low-risk professional engineering works pertaining to their own projects. These include works of a temporary nature like site offices or workers' quarters. Currently, builders cannot undertake any professional engineering work, unless they are licensed by the Board to do so. But most builders are unable to meet the requirements to qualify for a licence from the Board. As a result, they have to engage external engineering consultancies for their projects, which incurs additional costs. This amendment will streamline work processes for some builders, while maintaining safety standards by limiting the scope to certain low-risk temporary works.

21 Taken together, the proposed amendments will raise standards, help our PEs capture overseas opportunities, and provide a more pro-enterprise environment for local professional engineering firms and contractors. The amendments will also put the PE Board in a stronger position to support the industry in its development, and to uphold higher standards of professionalism. Through these efforts, we hope that PEs in Singapore will continue to thrive both in our domestic market and overseas.

22 Mr Speaker Sir, I beg to move.

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