

MONOPOLY IN PROPERTY MANAGEMENT?

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THE Institution of Engineers, Malaysia (IEM) would like to respond to the many statements in the press regarding plans to impose monopoly in the practice of property management. The statements have drawn comparison between property managers with other professions, including those of the engineering profession. There are distinct differences.

In the drafting of Acts, regulators and legislators need to differentiate between technical matters that require expertise specific to a profession, which is unlikely for a layman to master and manage; compared with those technical matters that can be handled by an informed layman or a tradesman.

Even though all engineers need to be registered to practice in Malaysia, only those areas of engineering practice which involve public safety are regulated and require registered Professional Engineers (PE's). In such engineering works, it is mandatory for plans and calculations to be submitted to the authorities. The submissions have to be endorsed by a registered PE purely because as qualified registered professionals, the authorities could have the confidence that the person is technically competent and that safety is not compromised. It would be fair to say that it would be highly unlikely that a layman could perform these tasks and to bear the ensuring responsibilities. Examples of these would be structural and electrical engineering works, amongst others.

However, there are many other areas that whilst engineers are more than amply trained to perform, are nevertheless "open" to the public. For instance, if a car breaks down, there is no regulation compelling the owner to get it repaired by a registered automotive or mechanical engineer. Any mechanic would do. Similarly, any technically informed layperson can go and buy a light bulb to replace a faulty one in his or her house. He is not compelled by law to engage a registered professional electrical engineer.

Moving up the engineering value chain, the same can be said of project management and the management of construction or manufacturing companies. Even though civil engineers are

trained in the art and science of construction management, and mechanical engineers in industrial management, there is no attempt to limit the management of these companies to registered professional engineers!

IEM believes that no single profession has a monopoly on good management, including property management. A case in point is the numerous privately owned buildings that are managed extremely well by persons who are not valuers. There is no obvious indication that the engagement of any particular group of professionals is a common denominator in successful property management, and by extension, engaging valuers or "Registered Property Managers" would not be the solution. As has been aptly pointed out by many, buildings are badly managed not for want of expertise but by mis-management, poor collection of fees, lack of integrity and many other factors not related to any professional expertise.

Nobody is trying to deny the valuers the opportunity to manage property. For building owners who think valuers are the most suitable party to manage their property, they would be most welcome to engage them. If valuers are as competent as is claimed, business would gravitate toward them. Compulsion is yet another matter as that is apt to be construed as monopolistic.

Creating a monopoly for valuers in property management is against and infringes the provisions of the Competition Act. In this spirit, we applaud the initiative of the Minister of Housing and Local Governments, Datuk Seri Chor Chee Heung to re-examine the draft Strata Management Bill to eliminate monopolism. ■

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