

## **Annex B**

### **Off-site Construction Special Scheme (OCSS)**

1. Under the Construction Industry Transformation Map, BCA is building a robust DfMA ecosystem to sustain the adoption of productive technologies over the longer term. BCA's key thrusts are to:

- i) Create lead demand to bring down the cost premium of DfMA technologies;
- ii) Build supply capacity and capabilities; and
- iii) Develop industry competencies in productive technologies.

2. To support these key thrusts, existing funding schemes and manpower development initiatives need to be complemented with changes to the foreign manpower policies. BCA has worked with MOM to develop an Off-site Construction Special Scheme (OCSS) for DfMA facilities. The OCSS serves as an interim measure to encourage more firms to shift towards DfMA. With this scheme in place, the Government will progressively reduce the Man-Year Entitlement (MYE) quota for on-site works and engage the industry on eventually removing the MYE framework for the construction industry.

#### **Details on the OCSS for DfMA Facilities**

3. The voluntary manpower incentive scheme for DfMA facilities will encourage the industry to do more off-site prefabrication work. Concurrently, BCA will work with firms on this scheme to ensure that they build up their local pipeline of Singaporeans for the skilled jobs in the DfMA facilities.

4. The scheme will be made available to the following three types of DfMA facilities and their sub-contractors:

- i) Integrated Construction Prefabrication Hubs (ICPHs);
- ii) Prefabricated Prefinished Volumetric Construction (PPVC) / Prefabricated Bathroom Units (PBUs)/ Prefabricated Kitchen Units (PKUs) fitting out facilities;
- iii) Prefabricated Mechanical, Electrical and Plumbing (MEP) fitting out facilities.

5. There are currently 15 DfMA facilities. These DfMA facilities are not allocated MYE quotas directly as they are not main contractors. So, most of the Work Permit Holders (WPH) hired by the DfMA facilities are on the higher MYE-waiver tier.<sup>3</sup>

6. Under the new OCSS scheme, eligible facilities will be able to hire workers at the lower MYE levy rates of \$300 and \$700 for Higher-Skilled (R1) and Basic-Skilled (R2) workers respectively, for an allocated number of workers.

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<sup>3</sup> Current MYE levy rates are \$300 for higher-skilled R1 workers and \$700 for basic-skilled R2 workers. As a reference, the MYE-waiver rates are \$600 for higher-skilled R1 workers and \$950 for basic-skilled R2 workers.

7. Firms under the OCSS will be required to improve their workforce profile, including building a stronger Singaporean core in higher skilled jobs by committing to train and hire more locals to fill the good quality jobs created in DfMA facilities.
8. BCA will engage eligible DfMA facilities to share more details, and will start the OCSS in the second half of 2019.