

Speech by Minister of State Zaqy Mohamad at MOM Workplan Seminar 2019

16 April 2019

A. Opening

A1. Thank you Gay Yong.

- Really glad to be here today with MOMers, colleagues from our MOM family and our tripartite partners.

A2. It has been almost a year since I joined MOM.

- And I must say that I've had a very meaningful experience.

A3. Our MOM family has been working hard alongside our tripartite partners to make every job a better job, every worker a better worker and every workplace a better workplace. Thank you everyone in the MOM family. Thank you tripartite partners.

B. Career Mobility for Lower-wage Workers

B1. Minister spoke about making career mobility a reality for everyone.

- As Singapore transforms and prospers, it is even more important that we ensure that lower-wage workers are also able to be a part of this prosperity and access new opportunities.

Multiple layers of support

B2. As a Government, we pay special attention to our lower-wage workers

- Today, there are multiple layers of support for them.
- The Workfare Income Supplement Scheme tops up the salaries of lower-wage workers and help them save for retirement. This year, we have revised the criteria to keep the scheme relevant for our lower-wage workers.
- Most Workfare Income Supplement recipients also receive other government support such as GST Vouchers, medical and dental subsidies under the Community Health Assist Scheme (CHAS), as well as childcare and student care subsidies to help meet their living needs
- 75% of Workfare recipients also own their homes. No other country comes close. The various Government grants provide a means of wealth transfer to them. More importantly, home ownership provides stability for many families among our low-income households.

B3. However, through Government transfers alone, we cannot address social inequality and help our lower-wage workers advance.

- We want to encourage lower-wage workers to gain new skills so that they can access better jobs with higher pay.
- And we do not want them to have to worry about hefty training costs.
- Today, lower-wage workers can tap on the Workfare Training Support Scheme to subsidise their training costs to help them improve their skills and be more productive.

Outcomes

B4. The outcomes show that our efforts are in the right direction. From 2012 to 2017:

- Wages of workers¹ at the 20th percentile grew by 24% cumulatively in real terms, more than the rate for incomes at the median which grew by 21%. This was achieved by a combination of maintaining a tight labour market and the tripartite movement's implementation of the Progressive Wage Model (PWM) in outsourced sectors where wages have been depressed due to "cheap sourcing".
- Individual income growth also translated into increasing household income. Household income for low-income Singaporean households² grew by about 26% cumulatively in real terms, higher than the 24% for median households.
- And importantly, even as income grew, employment rate for residents³ remained high at about 80%.

B5. Our work is not done.

- As we continue to walk this journey to uplift our lower-wage workers, how can our tripartite movement support them better?

C. "3W" Approach – Workfare, Workright and Workcare

C1. Today, I'd like to touch on how we plan to strengthen our approach to help low-wage workers holistically. It starts with 3 "W"s.

C2. I know Brother Chee Meng has his 3 "W"s for NTUC. Thankfully he hasn't trademarked it yet.

C3. For MOM, our 3 "W"s in uplifting lower-wage workers are – Workfare, Workright and Workcare.

C4. Workfare, Workright and Workcare will ensure that lower-wage workers

- can access higher wages and better skills,
- are given their due employment rights; and
- are able to work in conducive work environments and be appreciated for the work that they do.

Workfare: Improving Wages and Skills

C5. Our first “W” is **Workfare**.

- Last year was the 10th anniversary of Workfare. 830,000 Singaporeans have benefitted from \$5.5 billion of Workfare payouts in these 10 years.
- In fact, you might know someone who receives Workfare or has tapped on Workfare to go for training.

C6. At this year’s Budget in Parliament, the Government announced an enhancement to Workfare to ensure its continued support for our lower-wage workers.

- The Workfare Income Supplement payouts top up the salaries and CPF savings of lower-wage workers. From 2020, we will increase the qualifying income ceiling to \$2,300 and increase the maximum annual payout to \$4,000. This will boost their annual incomes by up to 30%.
- Second, the Workfare Training Support subsidises training costs to encourage lower-wage workers to upskill. This enables our workers to advance and be more productive, to give them greater career mobility.

Workfare Income Supplement

C7. Now I would like to share with you about Auntie Geok whom I met recently. MOMers at MOM Services Centre may know Auntie Geok.

- Auntie Geok, who is 64 years old, has been a cleaner at MOM Services Centre for the past 7 years.
- Auntie Geok, her husband, and her 24-year-old son currently studying at NUS, stays near MOM Services Centre in a three-room flat which they own.
- Both Auntie Geok and her husband receive Workfare for working. Many of her co-workers also receive Workfare.
- Auntie Geok shared with me that she is happy to be receiving Workfare all these years.
- The Workfare payouts help her to meet household expenses.
- I’m heartened that Workfare and Government’s subsidies have helped older workers like Auntie Geok and her family. In her own words, “here a bit, there a bit, Government support actually add up to a lot.”

C8. Auntie Geok told me that as long as she remains fit and healthy, she would like to continue working.

- Workfare today already supports older workers like Auntie Geok who want to stay economically active with more payouts.
- And with Workfare being enhanced from January 2020, Auntie Geok will see Workfare payouts boost her income by about 25%.
- About 440,000 other Singaporeans, including self-employed persons, will benefit from almost \$1 billion of Workfare payouts in 2020 alone.

C9. Our journey does not end here.

- MOM will review the Workfare Income Supplement Scheme regularly so that we continue to help workers like Auntie Geok.

Workfare Training Support

C10. Lower-wage workers who wish to upskill can tap on the Workfare Training Support, or WTS, that has been in place since 2010.

- Over the years, our workers have received more support for training with the generous funding provided by SSG under the SkillsFuture funding schemes.
- And the number of lower-wage workers taking more courses subsidised by WTS has been increasing.
- WTS provides additional support for those who train consistently and attain full qualifications.
 - In 2018, 3,800 lower-wage workers received the Training Commitment Award or TCA for doing so.
- What we have found is that lower-wage workers who attained full qualifications saw increases in their real wage growth. With support from their employers to undergo training, and as long as they are prepared to upskill themselves and make the effort to attain full qualifications, they will be in a better position to access opportunities and therefore, better salaries.
- We are heartened by this finding
 - And are considering ways to channel lower-wage workers to areas of training that are more likely to lead to stronger employment outcomes and encourage them to work towards full qualifications.

Workright: Raising Employment Standards through Education and Enforcement

C11. Now, our second W – **Workright**.

- Earlier this year, we amended the Employment Act to better protect the interests of our workers. For our lower-wage workers, it is important that they are aware of their employment rights and are assured that they get adequate protection.
- Workright is MOM's way of assuring lower-wage workers that they will be given the employment rights that are due to them.
- This means getting paid their salary, overtime pay and CPF contributions correctly and on time, as well as other entitlements under the law.

C12. We do this through a combination of education and enforcement efforts.

- The WorkRight team carries out workplace inspections, publicity campaigns and outreach activities to help both employees and employers understand their rights and obligations under our employment laws.

C13. Since 2013, the Workright team has reached out to many residents through our annual roadshows at various heartland locations across Singapore.

- One key feature of these roadshows is the WorkRight mobile clinic, where residents can seek advice from our MOM and CPF Board officers. Our officers are present to provide on-site employment-related advice.

C14. In the past 6 years, Workright has also conducted more than 31,000 workplace inspections which have benefited more than 90,000 Singaporeans. These workers now enjoy their statutory entitlements, such as timely payment of salary, of CPF contributions or payment of overtime allowance.

C15. Our inspections have helped us to gather useful data and observations to help companies comply with employment laws.

- For example, we found that many Small and Medium Enterprises or SMEs lacked basic human resource capabilities that they need to comply with employment laws.
- So we developed the Workright self-help toolkit with useful templates and samples of key employment terms, time sheets and itemised pay slips to guide SME employers.

C16. Helping our workers know their employment rights and ensuring that employers comply with our employment laws is a constant journey.

- Workright will continue to stay dynamic with ears on the ground for it to remain relevant with the changing employment landscape. I wish to thank all our Workright inspectors and officers for providing the safety blanket for our lower-wage workers.

Workcare: Improving Work Environment

C17. Building on what we have achieved over the years through Workfare and Workright, we will continue to work closely with tripartite partners in the next stage of our journey to care for lower-wage workers.

- We want to improve the work environment and public's appreciation of our lower-wage workers through our third and new W – **Workcare**.
- Our lower-wage workers deserve to thrive by having decent work environments and being appreciated for the work that they do on a daily basis.
- Our Workcare initiatives aim to help lower-wage workers achieve that.

C18. As a start, Workcare will look at our lower-wage workers' access to proper rest areas.

- Outsourced workers in particular, such as cleaners, may not have proper rest areas at sites where they are deployed
- As we go around our neighbourhoods, office areas or shopping centres, we have encountered cases of cleaners having to use makeshift rest areas at staircases or open public areas
- Mr Zainal Sapari had also highlighted some of the good and bad rest areas that the unions have come across in his recent blogpost.

C19. Such situations can and should be improved.

C20. As an immediate priority, we have expanded Workright efforts to conduct ground sensing on whether and how rest areas are provided today, starting with the cleaning sector.

C21. Since 1st April this year, our inspectors have been interviewing workers and employers to take stock of where and how cleaners rest today.

- Some of these cleaning sites include food courts, shopping malls and commercial buildings, with efforts focused on service providers engaged by larger service buyers.

C22. This is what we have found after two weeks of sensing efforts:

- Some building owners may set aside spaces within their buildings as storage rooms and rest areas for cleaners.
- But the state of these rest areas differs greatly.
- We have seen cleaners resting in open areas within car parks far from the building premises, or in small, poorly ventilated and cluttered storage rooms at the basements of commercial buildings.
- In smaller work premises such as food courts, we understand there are constraints in setting aside additional spaces as rest areas.
- Cleaners at these premises may then rest at tables within the food courts during off-peak hours, or outside of their work areas
- For sites with no rest areas provided, cleaners may take breaks at staircase landings and bin centre areas away from public's view.
- Cleaners shared in our interviews with them that aside from having a place to rest, they hope to have access to basic amenities such as lockers to keep their belongings, fans for better ventilation, and water dispensers for hot and cold water.
- We also understand from employers that building owners play an important role in allocating space for a rest area.

C23. Our ground sensing to understand the different needs of workers in different types of premises with respect to rest areas has just started.

- Together, we can make a difference. We plan to develop a guide by the end of the year to help companies make rest areas available. We call upon the support of all our tripartite partners to join us to implement this together.

C24. It is important that MOM walks the talk in ensuring proper rest areas on our premises.

- Contracted workers for MOM, such as our cleaners and security guards, can rest in designated rooms at MOM HQ and MOM Services Centre with comfortable sitting. They can also use our pantries and cosy corners catered for MOM officers to take breaks and have their meals.
- Schools too have proper rest areas.

- MOE has ensured that each of the over 300 schools today provide a dedicated room for all of their cleaners to rest.
- As for hawker centres, the National Environment Agency (NEA) has already made available proper rest areas in the form of a cleaners' room in all of the seven new hawker centres⁴.
- They are committed to provide these rooms for all new hawker centres, and for existing hawker centres during renovation or reconfiguration works, where possible.
- I am glad to learn that NTUC and its various entities are also on-board and have provided proper rest areas at their respective buildings.

C25. MOM will be working with government agencies and town councils next.

- The town councils are supportive of our Workcare initiative and are committed to look at ways to make available proper rest areas for cleaners and other outsourced workers in their estates.
- MOM will also be working closely with public agencies to ensure that proper rest areas are provided for.

C26. I am glad that some building owners are already leading the way in providing proper rest areas for their workers today. Take for example Suntec City.

- I had the opportunity to visit Suntec City's rest area yesterday, the Crystal Place.
- The Crystal Place is the name of the rest area that Suntec City's property manager APM Property Management implemented a year ago with the support of their MCST for their outsourced workers, including cleaners and security officers.
- The Crystal Place is conveniently located at the heart of Suntec City and easily accessible by their workers. It is spacious – about the size of four 4-room HDB flats – well air-conditioned and brightly lit. There are locker facilities, drink dispensers that sell hot and cold drinks at subsidised prices, and an ironing board, not to mention free Wi-Fi.
- Up to 136 workers can rest in The Crystal Place at any one time and the space serves the community of 334 workers.
- The workers I spoke with shared that they appreciate having a private space to have their breaks. They can have meals and catch up with colleagues from their team. They have also bonded with workers from other companies at The Crystal Place. If they need some quiet time to take a break from work, they can also do that at the Crystal Place.
- Mr K Ramesh, a cleaning supervisor who has worked at Suntec City for 19 years, told me that The Crystal Place has definitely contributed to the high morale of the 50 cleaners he supervises. Workers regularly provide positive feedback to him and The Crystal Place makes them feel like they are part of Suntec City's staff, not just outsourced workers.

C27. I asked APM why they had chosen to set aside this much space as a rest area. Wouldn't they be losing out on valuable commercial space?

- What APM said really left an impression on me. To them, outsourced workers are just like their own staff and they should be treated no differently.
- When workers are more rested, they are more motivated to deliver services of a higher quality. What that means is that for service buyers, such as Suntec City, or consumers like you and I, motivated workers are beneficial for all of us. As with any employer that takes good care of their employees, workers tend to stay longer. Cleaning Express, one of Suntec’s service providers, has seen a higher staff retention rate since The Crystal Place was implemented. They also mentioned that they saw lower absenteeism rate among workers.
- APM also shared that the rest area doubles up as an area for daily briefings and training to upskill the employees.

C28. We strongly urge all service buyers and building owners to take a leaf from APM.

- Work with your service providers today to understand the needs of your workers and set aside proper and reasonable rest areas for them. The benefits you will reap are both tangible and intangible.

C29. Our cleaners put in hard work to keep Singapore clean and tidy for all of us.

- It is only right that we give them the due respect and dignity they deserve, starting with a conducive working environment.
- To build a more caring and inclusive society, we can also do more to appreciate our cleaners. Our new Workcare initiative will look into this area.

C30. As individuals, we can also do our part. Let’s start with the simple “thank you”, “how are you?” and “good morning/ good afternoon / good evening” to show cleaners how we appreciate them.

D. Conclusion

D1. Why do we have a strong interest in the lower-wage worker agenda? I believe, it’s the right thing to do to build an inclusive Singapore. Our contribution to our workers go beyond just improving their wages.

D2. Through our 3 “W”s – Workfare, Workright and Workcare, we want them to access meaningful jobs with better skills, build confidence about their employment rights, and uplift their dignity by providing them with proper work environments.

D3. Most important for me, by helping them with career mobility and advancement, they can provide better for their families and loved ones. And help them achieve better social mobility too.

D4. Everyone in the MOM family and tripartite partners, let us work together to make every job a better job, every worker a better worker, and every workplace in Singapore a better workplace for everyone.

D5. Thank you and have a wonderful session!

FOOTNOTE

1. Incomes of full-time employed citizens, including employer's CPF contribution, before Government transfers.
2. Citizen households, before taxes and transfers.
3. Residents aged 25 to 64.
4. The seven Socially-conscious Enterprise Hawker Centres are: Ci Yuan Hawker Centre, Hawker Centre @ Our Tampines Hub, Yishun Park Hawker Centre, Jurong West Hawker Centre, Bukit Panjang Hawker Centre, Kampung Admiralty Hawker Centre and Pasir Ris Central Hawker Centre.