LAUNCH OF THE SECURITY INDUSTRY TRANSFORMATION MAP AND SKILLS FRAMEWORK FOR SECURITY – SPEECH BY MRS JOSEPHINE TEO, MINISTER, PRIME MINISTER'S OFFICE, SECOND MINISTER FOR HOME AFFAIRS & SECOND MINISTER FOR MANPOWER ON 13 FEB 2018

A.   Introduction

Distinguished Guests

Ladies and Gentlemen

2.   Good morning. Thank you for being here at the launch of the Security Industry Transformation Map.

3.   The ITMs chart the future for Singapore's economy by focusing on transforming 23 key industries. Security is one of them. The security industry is an important one. Besides contributing to the economy and creating jobs, it helps to keep Singapore safe and secure. About 47,000 security officers, 600 service providers and 240 security agencies support the Home Team to protect the many buildings where we live and work. Security officers report suspicious activities, attend to incidents and maintain order at public places and events.

4.   The Security ITM is a collective effort that has taken more than a year to develop. Industry associations and companies, the Labour Movement, service buyers and various government agencies were deeply involved. Many meetings and focus group discussions were held to gather inputs, to ensure that we look at the issues comprehensively, and that the ITM is

relevant and meaningful to all stakeholders. Just a few weeks ago, I had a dialogue session with industry stakeholders and we had a good discussion about how we can work together to transform the industry. I thank many of you who have contributed ideas and suggestions.

5.   Having gathered many inputs, what can we say about the current state of the industry, our vision for the future, and how we can get there together?

B.   <u>Current Challenges</u>

6.   Let me start by sharing a number of inter-related challenges which you told us about.

7.   The first set of challenges have to do with <u>buyers' behaviours</u>. Many buyers of security services still do not have the practice of conducting risk assessments before they call for tender. Typically, they use the same tender specifications that have been in place for years. Most often, they ask for the same number of guards as the previous contract, not knowing whether it is optimal. They also tend to select vendors on cost only, rather than assess value. There is low awareness of new technologies and innovative solutions that can provide them with the same or even better security outcomes. Even if they were prepared to invest to invest in technology, there may not be follow-through to redesign jobs or equip staff for effective implementation.

8.   As a result, from the service providers' perspective, there's little incentive to differentiate their services. Several other industry practices also have unhelpful consequences. For example, contract durations tend to be short. This means that service providers have not much time to recoup

investments, even if they are willing to bear the upfront risks. On a day-today basis, liquidated damages for a range of service lapses can be punitive. The relationship with buyers is transactional, with little room for building trust.

9. The consequence of all, this is that, security guarding has remained largely manpower-intensive. Promising new technologies are not readily adopted. Innovative solutions have not gotten very far. In a recent report published by MOM, job vacancies for security guards topped the list of all vacancies for Rank and File workers. A key reason is because job content and work conditions remain unattractive.

10. Yet, despite these challenges, many of you also shared with us your excitement about the opportunities. Demand for security services is growing. We have more building and facilities requiring security services. More building owners are now aware of the heightened terror threats and are keen to protect their assets. We can see the growth through the rapid growth of the value-add of the sector, at 10% per year over the last five years. Can't say that about many sectors.

11. But this growth cannot be sustained if we remain as manpowerintensive in the future. Security industry manpower grew at 5% per annum in the last five years; about double the growth rate of total employment. This is still not enough to meet the increasing demand. Many security officers work very long hours to compensate for the manpower shortage. The Employment Act stipulates the maximum number of overtime hours allowed, and the security industry is the only industry that is given an exemption for day-today operations. Bearing in mind that jobs are improving

in other sectors, this means the security industry will face even stiffer competition in recruitment and retention in future.

12.   To improve productivity and job attractiveness, we took a major step to introduce the Progressive Wage Model (or PWM) to raise skills and wages. Wages of security guards grew by 23% annually between 2014 and 2016. Wages will rise further next year and each year thereafter, for all grades from Security Officers to Senior Security Supervisors, as announced by the Security Tripartite Cluster last year.

13.   Another decisive step by the industry to improve working conditions and productivity is to commit to the removal of overtime exemption. This will come into effect three years from now, from 1 Jan 2021.

C.   ITM Vision

14.   For these efforts to bear fruit, a few other pieces must be put in place. This is the key goal of the Security ITM. Our vision is a vibrant, technologically advanced and competitive security industry that provides quality services at good value. We want to see service providers transform from just supplying manpower, to delivering effective integrated security solutions. We want buyers to have the assurance of improved security outcomes, while keeping a lid on costs. We want security officers to be recognised as skilled professionals, with good career advancement opportunities. A successful transformation of the security industry must bring about better value for buyers, better jobs for Singaporeans, and at the same time, better security for Singapore.

15.   How can we realise the vision of a vibrant, technologically advanced and competitive security industry that provides quality services at good value?

The ITM will adopt four strategies:

(i)   First, a decisive push for technology and innovation

(ii)   Second, active promotion of best sourcing, with Government taking the lead

(iii)   Third, align regulations to raise standards

(iv)   Fourth, invest in skills to support technology adoption and career advancement

Let me say more about each strategy.

D.   Strategy 1: Technology and Innovation

16.   Our first strategy is to make a decisive push for technology and innovation. Technology and innovation can transform how security functions are performed, and the job of a security officer.

17.   For example, CCTVs can replace routine, labour-intensive patrolling. Video analytics alert security officers monitoring CCTV feeds to anomalies, like intrusions and loitering. For large-scale premises, advanced analytics that use machine learning can already be used to help detect abnormal activities. This enables fewer officers to oversee

a larger, and more complex area. Instead of continuous patrolling, they can also focus on making judgements and responding to incidents.

18. To support companies new to these technologies, **the Industry Digital Plan (or IDP) will promote broad-based adoption of market-ready solutions**. MHA and IMDA are developing such a digital plan, tailored for the security industry, under the SMEs Go Digital programme. Security SMEs will get step-by-step guidance on pre-approved proven solutions that come with funding support. **We expect to launch the IDP for the security industry by the middle of this year.**

19. Next, **IMDA will also support pilot projects to scale up implementation of solutions that can potentially transform the industry**.
One example is **Concorde**'s iMan Facility Sprinter, or IFS, which was featured in the video we saw earlier. The IFS is a command centre in a van that wirelessly receives CCTV feeds from a cluster of buildings in an area. Multiple buildings can share resources with a command centre and response team.

20. Currently, the IFS is deployed at more than 140 premises. Productivity gains have been promising. In Bedok, one cluster of ten buildings managed to reduce their security manpower requirements from 10 to just two, with support from the roving IFS. An early adopter of the IFS is Luzerne, a SME specialising in ceramics with two buildings in Kallang. They reaped cost savings of 60% over two years. In addition, security monitoring has become more consistent and reliable. At certain sites, Concorde security officers now work shorter shifts. This

is a major benefit that has the potential to make the job of a security officer much more attractive. With support from IMDA, Concorde will be deploying the IFS to secure 30 premises in an area in Tuas, with 9 specialists instead of 30 security guards.

21.   To further promote innovation, **IMDA will launch a Call for Innovative Solutions for the security sector**. This programme enables buyers to partner security agencies and tech companies to co-develop innovative solutions that are not yet available in the market. IMDA, supported by MHA and security experts, will select and support proposals that solve security challenges, enhance productivity and seed new ideas with the potential to transform the industry. IMDA will hold industry briefings in early March to share more details.

E.   Strategy 2: Best Sourcing

22.   While promoting technology adoption and improving innovation capacity on the supply side, it is equally important to bring about change on the demand side. Buyers determine what is in demand. They shape the kind of security services and outcomes provided by the security agencies.

23.   Therefore, our second strategy is to actively promote best sourcing, and help buyers become "smarter" buyers.

24.   What makes a buyer "smart"?
    • First, being smart about new solutions that are better value-formoney. They can start by getting a more thorough understanding

of their security needs through a risk assessment, and deciding what outcomes are important to them. A security agency can help them do this. Tender specification would then be based on desired security outcomes, rather than just headcount. Tender evaluation should be done holistically, instead of separately for technology and manpower. This will allow service providers to propose solutions that combine technology and manpower effectively.

- Second, smart buyers develop long-term partnerships with their security providers, rather than keep switching based on lowest-cost to an unfamiliar firm every one or two years, which may not deliver. Their security staff also benefit from a larger and more meaningful job scope, higher skills, and better assurance about their employment terms.

25. **JTC is a good example of a "smart buyer". Having conducted feasibility studies and consulted with various service providers, JTC will be launching an outcome-based tender for cluster guarding of their properties in one-north**. Security agencies have the flexibility to propose how best to achieve security outcomes. For example, by consolidating multiple command centres, and deploying video analytics and quick response teams. This is more efficient than providing a fixed number of guards for each building.

26. This cluster concept is not new, but it is not yet common. The main difficulty is getting different organisations to aggregate demand, install sensors and share information. Through this project, JTC expects to see productivity savings of more than 20%, and more importantly

demonstrate the benefits of outcome-based contracts and cluster guarding to other building owners.

27. How can we support more security service buyers to adopt best sourcing? **The government is in a position to take the lead and will do so. Our target is for most government agencies to adopt outcomebased security contracts by 2020**. This will include conducting security risk assessments and establishing longer contract durations, thus providing lead demand for service providers to transform.

28. We will support buyers who are keen to take the first step. **NTUC U Care Centre is administering a new pilot grant, the Smart Sourcing Initiative (SSI)**. This scheme will provide funding support to service buyers in security, cleaning and landscape sectors which implement outcome-based contracts and train their procurement staff to be familiar with best sourcing principles. In addition, the Security Productivity Initiative introduced by Workforce Singapore last year also provides customised support for service buyers and security agencies to implement job redesign and tech adoption projects. This will help ensure that technology solutions are effectively deployed to improve productivity and security outcomes.

29. In addition, **we will launch a guide on best practices in procuring security services by the middle of this year**. This tripartite guide will explain how to go about planning and evaluating an outcome-based tender for security services. **In addition, we will develop training programmes on best sourcing for security**, targeted at procurement officers and service providers, to be launched by next year.

30.   **There will also be outreach efforts by the Security Industry Council**, comprising the Union of Security Employees, Security Association Singapore and Association of Certified Security Agencies. They will conduct a series of seminars in the first half of this year for buyers in the commercial and industrial sectors.

F.   Strategy 3: Regulations

31.   Our third strategy is to align regulations to raise standards. Every year, the Police Licensing and Regulatory Department conducts the Security Agencies Grading Exercise (or SAGE) as a quality benchmark for the industry. **Starting this year, SAGE will place greater emphasis on security outcomes, continuous training and technology adoption. This will clearly differentiate agencies that invest in training and technology, and deliver high-quality services**.

32.   This review was done in close consultation with the industry and union. The new SAGE emphasises factors that directly affect security outcomes. One example is in the area of Standard Operating Procedures, or SOPs. Previously, security agencies were assessed on whether they have SOPs to deal with scenarios such as bomb threats and fire emergencies, and whether their officers knew where SOP documents were kept at their deployment site. Under the new SAGE, officers would need to be able to explain key SOPs and demonstrate an ability to execute them. Agencies will also be assessed on whether they conduct exercises to test the effectiveness of these SOPs. These new criteria will motivate security agencies to invest in staff training

and retention, so as to build a team of officers who are proficient in carrying out their duties.

33.	The assessment on technology adoption has also been enhanced. It provides a clearer signal to security agencies on specific areas they can invest in. These include technology to monitor or support operations, manage incidents, and facilitate their officers' learning and development.

34.	The new SAGE will raise the bar for security agencies. It will establish clear standards in areas which are key to building innovative companies that deliver high-quality security solutions. It will also recognise quality security agencies and help buyers make informed decisions.

## G.	Strategy 4: Skills

35.	The fourth strategy is to invest in skills to support technology adoption, raise professionalism and promote career advancement. Our decisive push for technology must be supported by a well-trained security workforce, and bring about more attractive careers. The goal must be to have better jobs performed by better workers.

36.	To support this effort, I am pleased to **launch the Skills Framework for Security** today. This is a comprehensive guide on careers and skills in the security industry, developed by SkillsFuture Singapore, Workforce Singapore and the Ministry of Home Affairs together with industry stakeholders. It identifies key skills and competencies for the security industry, as well as emerging skills e.g. risk analysis and adoption of new technologies.

37.   The Skills Framework points the way forward for security officers to gain higher skills and earn better wages. One example is Aminur Rashid, a control room executive in Metropolis Security. Rashid started as a security officer, and worked his way to be a security supervisor through continuous learning and developing his leadership skills. Today, he is responsible for coordinating deployment of security officers at multiple sites. All his officers are equipped with smartphones, and status reports are captured real-time in the command centre. The Skills Framework points out that for security officers to be effective supervisors, they have to learn how to rely on technology to supervise the security officers under their charge. By mastering this new skill, they can advance in their profession.

38.   Programmes are available to support both new entrants and existing workers. For example, ITE offers a Work-Learn Technical Diploma in Security Systems Engineering for ITE graduates to take up jobs as systems engineers and project engineers, which is a new career progression pathway in security technology. Existing security officers can also tap on the SkillsFuture Series to take modular courses in emerging skills such as data analytics and tech-enabled services, or apply for the SkillsFuture Study Awards to pursue security-related Diploma and Degree courses.

39.   A key feature of the new Skills Framework for Security is **a new career pathway in security consultancy**. Expertise in security consultancy is a key enabler to transform the industry. The security consultant carries out risk assessments to identify what needs to be protected – based on the threats, vulnerabilities and risks to a facility – and how to best protect it. In other

words, they help ensure the solution put in place is effective and best meets the buyer's needs.

40.   To develop expertise in this area, **MHA's Centre for Protective Security Studies will partner the Security Industry Institute under Temasek Polytechnic to develop and offer a new Specialist Diploma in Security Consultancy**. This one year part-time programme covers risk assessment, building security and relevant legislation, security technologies, and project management. MHA and TP will sign an MOU later to mark this collaboration, which will help transfer protective security expertise in the Home Team to the private sector. The first intake is planned for next year, and the aim is to train 250 consultants by 2021. We hope all security agencies would have at least one skilled professional who can help their clients put in place integrated security solutions and outcome-based contracts. This also allows security officers to have an opportunity to pursue a new career path in security consultancy, beyond the five grades within the PWM.

H.   Conclusion

41.   Through these four strategies – technology and innovation, best sourcing, regulations, and skills – we have the prospect of transforming the security industry.

42.   Besides the agencies I have mentioned so far, SPRING Singapore – or Enterprise Singapore in the future – has also come on board to offer holistic support to SMEs in the security industry, not just in technology

adoption and skills upgrading, but also other aspects of organisational excellence that can help them raise standards.

43.   A lot of work has been put in to get us to this point. I would like to thank the Security ITM Tripartite Committee for providing so many useful insights and helping to shape the ITM's vision and strategies. I would also like to thank the Security Industry Institute for co-organising today's event, with the support of SkillsFuture Singapore and Workforce Singapore.

44.   The security industry is on the verge of an exciting phase of transformation. Our work has reached a milestone and yet we are also at a new beginning. The challenges are significant but so are the opportunities.

45.   **In total, the government will invest about $10 million over the next three years to support the initiatives under the Security ITM.** There is comprehensive support for all the key stakeholders - the security agencies, the technology provider, the people working in the industry, and the buyers of security services. Our vision of a vibrant, technologically-advanced and competitive security industry that delivers quality and value is worth striving for. We invite everyone to come on board and embrace this transformation. Thank you all for your support!