

FACTSHEET ON TIERED LEVY FRAMEWORK & SKILLS QUALIFICATION FOR CONSTRUCTION SECTOR

1. The Ministry of National Development (MND) and the Building and Construction Authority (BCA) have formulated a Construction Productivity Roadmap to steer the industry towards higher productivity via a multi-pronged approach:

- a. Adjustment of Foreign Worker Levy (price lever) and MYE system (supply lever) to regulate the demand and supply of FWs respectively;
- b. Enhancement of the workforce through bringing in more locals, and facilitating upgrading through CoreTrade scheme;
- c. Regulatory changes such as changes to the Buildability Framework to set minimum standards and provide even playing field for the industry to switch to technology and optimise use of labour; and
- d. Financial incentives to encourage going beyond minimum regulatory standards through technology adoption and capability building.

New Skills Framework

2. From July 2011 onwards, BCA will introduce a new skills framework which recognises and distinguishes the skills and experiences of work permit holders for the construction sector. It will consist of the following tiers:

- a. "Higher Skilled" workers
- b. "Basic Skilled" workers
- c. MYE-waiver workers

3. The current "Skilled" work permit holders in the construction sector will be reclassified into the new "Basic Skilled" category if they only possess BCA's Skills Evaluation Certificate (Knowledge) [SEC(K)], and new "Higher Skilled" category if they are registered under BCA's Construction Registration of Tradesmen (CoreTrade) scheme or have at least 4 years construction experience in Singapore and recognised supervisory skill certifications.

4. The MYE-waiver route will be retained to provide flexibility for the firms to meet their specific manpower needs. However, foreign workers under this route will be subject to higher levies to discourage firms' excessive foreign workers usage beyond the MYE quota and to steer the industry towards adoption of technology in place of labour.

BCA's Skills Certification System

5. Since 1995, BCA implemented the mandatory Skills Certification system whereby all foreign workers joining the Singapore construction industry must be skill-

certified to ensure that they possess the basic skill level in the various key construction trades.

6. BCA officers carry out the skills tests in the source countries. Currently, there are 25 overseas testing centres (OTCs) in various source countries, including PRC, India, Bangladesh, Thailand and Myanmar.

7. Under the Skills Certification system, the foreign workers are tested on the specific trade knowledge and hand skills required for the individual trades. These foreign workers have to pass the written and practical test components to be awarded BCA's SEC(K). The written test component requires the worker to know essential trade knowledge such as the materials, tools and equipment used in the trade; work sequence; good practices to be adopted; and safety requirements. For the practical test component, the worker has to demonstrate his practical craft-skills competency to meet quality standards for the trade in the timely completion of a practical test project based on the expected skills set of a skilled tradesman.

8. BCA will continuously review the skills test requirements and raise the test standards progressively to improve quality, productivity and safety. This is to ensure the relevance of skill sets and that the workers are trained and certified according to project requirements, quality standards and good site practices.

Construction Registration of Tradesmen (CoreTrade)

9. BCA administers the **Construction Registration of Tradesmen (CoreTrade** in short) which is a workers' registration scheme for skilled and experienced construction personnel in key construction trades. There are 7 key construction trades currently recognised for registration under CoreTrade. BCA will introduce more construction trades under CoreTrade in 1H2011 (more details will be announced by MND/BCA later).

10. The CoreTrade scheme aims to facilitate the build-up of a core group of competent and experienced tradesmen and trade foremen in key construction trades to anchor and lead the construction workforce, and thereby raise construction quality and productivity levels.

11. CoreTrade provides a platform to retain the better and more experienced workers by providing a clearer career progression path and giving them due recognition through a registration system. It allows one to move from a general worker, to a registered Construction Tradesman¹ specialising in specific trades, and eventually, become a registered Construction Trade Foremen². Workers who are eligible for registration include skilled locals as well as skilled and experienced foreign workers who have been working in the construction industry in Singapore. The registration of CoreTrade personnel commenced in December 2008.

¹ Construction Tradesman is a worker who is skilled and engaged in a particular trade.

² Construction Foreman is a worker who takes charge of and co-ordinates a group of tradesmen in a particular trade

12. Under the Building Control (Amendment) Act 2007, licensed Class 1 General Builders are required to deploy a minimum number of registered CoreTrade personnel in their projects of value \$20 million and more. This applies to new building works, addition and alteration works and civil engineering works.

Prepared by MND and BCA
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