30 November 2018

RECOMMENDATIONS OF THE TRIPARTITE CLUSTER FOR LANDSCAPE INDUSTRY ON THE PROGRESSIVE WAGE MODEL

1. Objective

1.1 This report sets out the recommendations of the Tripartite Cluster for Landscape Industry (TCL) to be implemented from 2020 for the Progressive Wage Model (PWM)[1] for the landscape maintenance sub-sector.

1.2 The members of the TCL are listed in Annex A.

2. Progressive Wage Model for the Landscape Maintenance Sub-Sector

2.1 In April 2015, the TCL released its recommendations for a PWM for the landscape maintenance sub-sector[2], which were considered and accepted by the Government.

2.2 Since 30 June 2016, the PWM has been incorporated as a mandatory requirement for landscape companies to register under the Landscape Company Register (LCR), administered by the National Parks Board (NParks). The LCR provides recognition that a company is a genuine service provider with trained landscape employees. Companies listed on the LCR will be able to bid for government contracts and apply for NParks' schemes such as the Landscape Productivity Grant.

2.3 Landscape companies on the LCR have to ensure that their resident landscape maintenance employees[3] are trained according to their job roles and paid according to the PWM wage ladder. Please refer to Annex B for the current PWM wage ladder.

2.4 Having a PWM for the landscape industry benefits all stakeholders. The PWM ensures that wages of resident employees will increase, along with skills upgrading and productivity improvements. It also provides a career pathway for the employees as they acquire the necessary skillsets to take on higher job responsibilities. This would encourage landscape maintenance employees to upskill themselves to increase productivity and earn higher wages. With better

[1] The Progressive Wage Model was introduced by NTUC in June 2012 to help workers achieve sustainable real wage increases through skills upgrading and productivity improvements. It has been implemented in the cleaning, security and landscape sectors as a targeted intervention to address low and stagnant wages caused by cheap sourcing.

[2] The TCL had recommended that the Landscape PWM applies only to the landscape maintenance sub-sector among the three sub-sectors with rank-and-file employees (landscape maintenance, landscape construction and nursery work), as most outsourced resident landscape employees fall within the maintenance sub-sector.

[3] Refers to landscape worker, landscape technician, assistant landscape supervisor and landscape supervisor.

skilled employees, landscape companies can raise productivity and provide better service to their clients. Service buyers and end-users would benefit from higher quality landscaping services delivered in a more efficient manner by a more motivated workforce. The image of the landscape industry would also improve with established professional standards.

3. Impetus for Review of the Progressive Wage Model for the Landscape Industry

3.1 Since the release of the TCL's report in 2015, the median basic wages of full-time resident landscape maintenance employees have increased by 8% annually between 2015 and 2017[4]. In June 2017, the median monthly basic wages of full-time resident landscape employees were at $1,400. In tandem with the wage increases, the introduction of the PWM training requirements has ensured that landscape maintenance employees received the necessary training to enable them to perform their job functions competently.

3.2 Despite the improvement in overall wages, the industry continues to face manpower shortage amidst an ageing resident workforce. Landscape maintenance work requires a certain level of physical fitness and specific technical knowledge which takes time to acquire. Hence, only those who have the passion and skillsets would be able to cope with the demands of the job.

3.3 Given these considerations, the TCL found it timely and necessary to review the PWM to ensure its relevance in uplifting the profession and income of existing resident employees and thereby encouraging them to continue upskill and raise productivity.

4. Recommendations

4.1 The TCL held several consultation and engagement sessions with industry stakeholders between November 2017 and August 2018 in reviewing the PWM. Dialogues and focus group discussions with both service providers and service buyers, as well as survey with landscape employees were carried out.

4.2 The TCL had also considered various factors, including:

a) Prevailing wages of landscape maintenance employees;
b) Nature and working conditions of landscape maintenance work;
c) Wages of other outsourced workers with similar working conditions;
d) National Wages Council's (NWC) guidelines from 2017 to 2019; and
e) Lead time required for the industry to adjust to the changes in planning for new service contracts.

[4] Source: Occupational Wage Survey, Manpower Research & Statistics Department, MOM. Annualised change of median monthly wages of full-time resident park & garden maintenance workers.

4.3 The TCL recommends a six-year schedule of wage increases comprising:

a) Yearly adjustments to each PWM basic wage level from 2020 to 2022;
b) A schedule of increases to PWM basic wage level from 2023 to 2025; and
c) Mandatory PWM Bonus from 2020.

4.4 The recommendations are summarised in Table 1 and Table 2.

Table 1: Adjustments to the PWM for the Landscape Maintenance Sub-sector

With effect from	**July 2020**	**July 2021**	**July 2022**	**July 2023**	**July 2024**	**July 2025**
Annual Increment to all PWM Basic Wage Level	+ $150	+ $100	+ $100	+ minimum 3% p.a. (subject to review)		

Table 2: PWM Bonus for the Landscape Maintenance Sub-sector

PWM Bonus payable from 2020	Minimum 2 weeks of Basic Monthly Wage *payable to eligible employees in a given year*

<u>Yearly Adjustments to PWM Basic Wage Levels from 2020 to 2022</u>

4.5 The TCL recommends a total increase of $350 to the PWM basic wage levels across all PWM job roles, starting with an increase of $150 in July 2020, followed by an increase of $100 per year in July 2021 and July 2022.

4.6 In determining the dollar quantum increases, the TCL compared the basic wages of landscape maintenance employees to those workers having similar working conditions. To ensure that the basic wages of landscape maintenance workers do not fall behind those of similar occupations, the TCL recommended a higher dollar quantum in 2020, and a moderate increase for the following two years. This would be commensurate with the outdoor working conditions, greater complexity of the work, and skills required of landscape maintenance employees under the PWM as compared to similar occupations.

4.7 The TCL also took reference from NWC's recommendations for 2018/2019[5], which would apply to landscape maintenance workers as the NWC wage threshold was adjusted to $1300.

4.8 In order to allow sufficient lead time for landscape companies and service buyers to incorporate the wage adjustments in their new service contracts, the TCL proposes that the implementation of the annual PWM wage adjustments to take effect from 1 July 2020, which is also aligned with the implementation

[5] NWC had recommended a $50 to $70 wage increase to workers earning a monthly salary of up to $1300 for the year 2018/2019.

schedule for PWM wages in the cleaning sector. Having the same effective date, landscape companies that also have cleaning workforce would be better able to manage the adjustments in its HR policies and service contract pricing.

4.9 Please refer to Annex C for the revised PWM Basic Wage Level from 2020 to 2022.

Schedule of Increase from 2023 to 2025

4.10 For 2023 to 2025, the TCL recommends a minimum annual increment of 3% to the PWM basic wage level across all PWM job roles, which is subject to review.

4.11 By spelling out a schedule of increases with ample lead time given, the TCL believes it would help the industry adapt and plan ahead, and at the same time encourage companies to improve their current work processes and adopt technology-enabled solutions to derive higher service outcomes and raise productivity.

4.12 The revised PWM wage ladder will ensure sustainable wage increases over time and provide greater clarity to landscape maintenance employees on how their wages may increase as they progress in their profession. The TCL strongly encourages all landscape employees to continue upgrading their skills, so that they can have more opportunities to take on higher value-add jobs and earn higher wages. To this end, the TCL also urges service buyers to work with their respective landscape companies to support their outsourced landscape employees to take time off from work to attend training for continuous skills upgrading, without insisting on the need for replacement workers.

PWM Bonus from 2020

4.13 From 2020, the TCL recommends that a mandatory PWM Bonus be paid to Singapore Citizen and Permanent Resident landscape maintenance employees who have worked with the same employer for at least 12 months as at the cut-off date for PWM Bonus computation.

4.14 The TCL believes that the PWM Bonus will enable employers to better retain their workers, as it serves as an incentive for their workers to stay with their companies for at least 12 months. Additionally, the PWM bonus will help boost the total income of landscape employees and provide additional savings for them. Besides being a retention tool to motivate them to remain with the same employer, it would also encourage their employers to invest in their training and in turn raise productivity. In this regard, the PWM Bonus is not tied to the employee's performance.

4.15 The TCL recommends that the quantum of PWM bonus to be equivalent to at least two weeks of basic monthly wages; and paid at least once but not more than twice a year. More details on the PWM Bonus will be announced when ready.

5. Advisory on Minimum – Maximum (Min – Max) Wage Ratio

5.1 In its 2015 recommendations, the TCL proposed a min-max ratio of not more than 1.5 within each level of the PWM. A min-max wage ratio ensures that wages commensurate with the complexity of the job; and allows employers to give wage increments to recognise their more experienced and productive employees who are at their current job grade. It thus serves as a tool to encourage companies to move towards a productivity-based wage structure, and away from a seniority-based wage structure.

5.2 In consultation with industry stakeholders and the unions, the TCL proposes to revise the min-max ratio to not more than 1.3 within each level of the PWM. In so doing, it would better differentiate the salary of a lower rung employee vis-à-vis a more senior employee where the latter's job responsibilities are much higher, i.e. to have a smaller salary overlap between two job roles.

6. Contracting Practices and Productivity Enhancements

6.1 As landscape maintenance service is largely outsourced, the TCL recommends that service buyers renegotiate existing contracts with their landscape service providers to take into account the increases to the PWM basic wage levels. Service buyers are discouraged from exercising the option to extend existing contracts unless they are prepared to vary contract prices incorporating the new PWM wage schedules going forward.

6.2 The TCL strongly advises landscape companies and their service buyers to work closely to review and redesign current job processes, and to adopt technology-enabled solutions to raise productivity. Both parties need to assess their landscape manpower needs holistically and to plan their budget early in their new service contracts.

6.3 Service Buyers are also encouraged to include a clause in their tender specifications that should there be a change of service provider, the successful bidder shall ensure any existing employees they recruit from the client's site would be no worse off in their employment terms and benefits. This would safeguard the welfare of these employees as the change of service provider is beyond their control.

6.4 Landscape companies are encouraged to tap on existing Government incentive schemes/grants to procure ready-to-adopt landscape equipment/machinery and technology solutions to achieve higher productivity and derive better operational efficiency. For details on the various grants, please refer to www.businessgrants.gov.sg.

7. Engagement Efforts

7.1 In order to ensure that the relevant stakeholders are fully aware of the changes to the PWM wage ladder, a series of engagement sessions and communication efforts will be carried out in 2019.

7.2 Marketing collaterals, in the form of brochures and press advertorials, will also be used to reach out to landscape maintenance employees, service providers and service buyers.

8. Conclusion

8.1 The review of the Landscape PWM is both necessary and timely. The TCL's latest PWM recommendations will help resident landscape maintenance employees realise sustainable wage increase which will be commensurate with training, higher professionalism and productivity.

8.2 The concerted efforts of the tripartite partners will continue to contribute to the industry's efforts to professionalise the workforce and remake the industry.

8.3 Landscape maintenance employees will be motivated to upgrade their skills in order to progress in their profession and contribute positively to achieving better outcomes. Landscape companies will have greater clarity in projecting their manpower costs; and will be encouraged to leverage productivity solutions to deliver greater value to their clients.

8.4 Service buyers will be encouraged to adopt best sourcing practices, such as by moving away from headcount-based contracts to outcome-based contracts. Service buyers and end-users would also stand to benefit from higher quality service which is delivered in a more productive manner by a more motivated workforce.

8.5 With the support of tripartite partners, resident landscape employees can look forward to better wages, better skills and better career progression in the years ahead.

~ End ~

Annex A

Members of the Tripartite Cluster for Landscape Industry

	Organisation	**Representative**
Chair	National Trades Union Congress (NTUC)	Mr Zainal Sapari Assistant Secretary-General
Co-Chair	Singapore National Employers Federation (SNEF)	Ms Peggy Chong Deputy CEO, Gardens by the Bay
Labour Movement	Building Construction and Timber Industries Employees' Union (BATU)	Ms Noor Irdawaty Bte Jammarudin Assistant General Treasurer
	Singapore Manual & Mercantile Workers' Union (SMMWU)	Mr Surash R Mukundan Deputy Director
	Employment and Employability Institute (e2i)	Mr Gilbert Tan CEO
Service Providers	Landscape Industry Association Singapore (LIAS)	Mr Alan Tan Chairman
	Mao Sheng Quanji Landscaping Design Pte Ltd	Mr Choo Kim Chuan Managing Director
	Swee Bee Landscaping Construction Pte Ltd	Ms Sherlyn Ong General Manager
	World Farm Company (Private) Limited	Ms Joeann Chua Administration Manager
Service Buyers	Sentosa Development Corporation	Ms Mary G. Tan Divisional Director, HR & Admin
	Mapletree Investments Pte Ltd	Mr Foo Say Chiang Head, Group Property Management
	PAP Town Councils	Ms Juliana Lim General Manager, Holland-Bukit Panjang Town Council
Government	Ministry of Manpower (MOM)	Mr Lee Pak Sing Divisional Director, Workplace Policy and Strategy Division
	National Parks Board (NParks)	Dr Leong Chee Chiew Deputy CEO & Commissioner, Parks & Recreation
	Workforce Singapore (WSG)	Ms Janice Foo Director of Healthcare, Social & Business Services Division

Annex B

Current Progressive Wage Model for Landscape Maintenance Sub-Sector

Landscape Worker	Landscape Technician	Assistant Landscape Supervisor	Landscape Supervisor

• 5 basic general duties:
  • Watering
  • Weeding
  • Basic pruning
  • Soil aeration
  • Clearing of horticultural waste
• Observe safety regulations
	• 5 basic general duties
	• Fertiliser and pesticide treatment
	• Operate motorised equipment and machinery
	• Observe safety regulations
		• Maintenance duties
		• Assist in deployment of workforce
		• Assist in manpower supervision
		• Reporting and updating of completed work
		• Assist to ensure safety regulation are complied with
			• Deployment of workforce
			• Supervision of workforce
			• Ensure work schedules are completed on time
			• Inspection of site
			• Ensure safety regulations are implemented and complied with

≥ $ 1300	**≥ $ 1500**	**≥ $ 1700**	**≥ $ 2100**

Annex C

Progressive Wage Model for Landscape Maintenance Sub-Sector (2020 - 2022)

PWM Basic Wage Level	Current	July 2020	July 2021	July 2022
Landscape Worker	≥ $ 1,300	≥ $ 1,450	≥ $ 1,550	≥ $ 1,650
Landscape Technician	≥ $ 1,500	≥ $ 1,650	≥ $ 1,750	≥ $ 1,850
Assistant Landscape Supervisor	≥ $ 1,700	≥ $ 1,850	≥ $ 1,950	≥ $ 2,050
Landscape Supervisor	≥ $ 2,100	≥ $ 2,250	≥ $ 2,350	≥ $ 2,450

Progressive Wage Model for Landscape Maintenance Sub-Sector (2023 - 2025)

PWM Basic Wage Level	July 2023	July 2024	July 2025
Landscape Worker	Minimum +3% p.a. to Basic Wage Level (subject to review)		
Landscape Technician			
Assistant Landscape Supervisor			
Landscape Supervisor			