

20 May 2010

## Joint Media Release

### **UNION OF POWER AND GAS EMPLOYEES COMMITTS SEVEN UNIONIZED COMPANIES TO ROLL OUT WORKFORCE SKILLS QUALIFICATION FOR ENERGY UTILITIES WORKERS**

*8000 workers to benefit from nationally benchmarked training and certification*

1 Taking the National Trades Union Congress' Cheaper Better Faster mission to heart, the Union of Power and Gas Employees (UPAGE), in partnership with the Singapore Workforce Development Agency (WDA), Energy Market Authority (EMA) and e2i (Employment and Employability Institute), has secured the commitment of all its seven unionised companies to roll out WDA's Workforce Skills Qualifications (WSQ) framework for workers in the energy utilities industry.

2 Thanks to UPAGE's initiative, some 8000 professionals and technicians in the energy utilities industry are set to benefit from the new framework. The framework, aimed at providing structured training, building new capabilities, creating new learning opportunities and structured progression pathways, will enhance the productivity and performance of the energy utilities workforce. (Please see Annex A for details).

3 Recognising that better training leads to better productivity, and better productivity is in the best interest of workers, companies and the industry, UPAGE, with the backing of WDA, e2i and EMA, approached its management partners with the idea of the Energy Utilities WSQ in September 2009. The seven unionised companies, who are major players in the industry – Singapore Power Group, City Gas, Senoko Energy, PowerSeraya, Tuas Power, Sembcorp Industries and Keppel Merlimau Cogen – gave their unanimous support.

4 The joint endeavour was sealed with the signing of a Memorandum of Understanding (MOU) by UPAGE, the seven companies, WDA, e2i and EMA at the 4<sup>th</sup> UPAGE Quadrennial Delegates Conference held at Downtown East this morning. NTUC Secretary-General Mr Lim Swee Say, together with UPAGE Advisor Mr Sin Boon Ann, UPAGE President Mr Tay Seng Chye and UPAGE Executive Secretary Mr S. Thiagarajan, witnessed the signing ceremony. The MOU commits the signatories to collaborate in training and upgrading efforts to maintain the skills and competitiveness of the energy utilities workforce.

5 Even as the MOU was being signed, WSQ training for the first batch of 50 workers kicked off this morning at the Singapore Power Training Institute, further demonstrating the commitment of the signatories to get the initiative off to a quick start.

6 Singapore's energy utilities sector is a competitive, fast-growing and fast-evolving sector. Workers in the industry are predominantly Singaporean, mature workers, who have been with their respective companies for an average of 10 years or more. Training and upgrading through the WSQ framework is a timely move to equip them with nationally benchmarked skill-sets. While previously, training for these workers was typically conducted in a non-structured manner, in-house or through vendor certification, under the WSQ framework, these workers will now be brought up to speed to a common industry standard. This will not only make them more productive and more competitive, it will also go a long way towards enhancing their long-term employability and portability, thus empowering them to move within the industry and reap better prospects.

7 Elaborating on the impetus behind UPAGE's mooted and driving the idea of a WSQ for energy utilities workers, UPAGE General Secretary Mr Nachiappan Sinniah said, "UPAGE has a long track record of pushing for the training and upgrading of our workers. We did this with our daily-rated workers. We then went on to sign individual MOUs with our management partners to win their buy-in for

union-initiated training. Pushing for the WSQ framework is a natural progression on this path. UPAGE found that the WSQ framework developed by WDA and the industry, which is competency-based and takes into account prior learning experience rather than requirements that are based on theoretical learning concepts and pre-educational training qualification barriers, would be the most suitable training pathway for our members, many of whom do not have formal academic qualifications but have a wealth of work experience. We thank our management partners for giving their wholehearted backing to this initiative.”

8 Companies recognise that a competitive workforce is the cornerstone for business success. Furthermore, the WSQ framework gives them a structured training roadmap and provides the assurance that when they recruit workers, candidates who are WSQ-trained will have the right skills for the job. All seven unionised companies have thus welcomed this win-win move. (Please see Annex B for soundbites from the companies).

9 “WDA is delighted that UPAGE, EMA and companies in the energy utilities industry have decided to adopt the Workforce Skills Qualification system to raise the skills and productivity of the industry’s workforce. With their active participation, I am confident that we can introduce industry relevant skill standards and training courses that will bring immense benefit to both workers and employers in their industry,” said Mr Chan Heng Kee, Chief Executive of WDA.

10 Also giving the move the thumbs-up was the industry regulator. Mr Lawrence Wong, Chief Executive, Energy Market Authority said, “The Energy Utilities WSQ will help deepen the skills base and enhance the productivity of workers in the energy utilities industry. With growing electricity demand and new power plants coming on stream in the next few years, we will need more skilled workers in the industry. This WSQ is therefore a timely initiative, both to upgrade the skills of existing workers, and to attract new workers for the future.”

11 That union, management and government have come together to develop and roll out the WSQ framework for an industry as diverse as the energy utilities industry is commendable. It is testimony to the strong tripartite partnership that defines Singapore's economic landscape.

12 For UPAGE, the WSQ initiative is yet another landmark in the good labour-management relations it has forged with its unionized companies, such that the companies readily embraced the proposal put forth by the union. Indeed, how to remain a strong and effective partner at the negotiating table will be one of the key themes that UPAGE leaders will be mulling over as the union charts its strategic directions moving forward at its 4<sup>th</sup> UPAGE Quadrennial Delegates Conference.

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### **About National Trades Union Congress (NTUC)**

The National Trades Union Congress (NTUC) is a national confederation of trade unions in the industrial, service and public sectors representing more than 540,000 workers in Singapore. NTUC comprises 60 affiliated unions, six affiliated taxi associations, 12 social enterprises and four related organisations. NTUC's objectives are to help Singapore stay competitive and workers remain employable for life; to enhance the social status and well-being of workers; and to build a strong, responsible and caring Labour Movement. Its vision is to create a better and more meaningful life for working people of all collars, all ages and all nationalities to work, live and play together in Singapore, with a mission to help working people earn a better living and live a better life. For more details on NTUC, please visit [www.ntuc.org.sg](http://www.ntuc.org.sg).

### **About Union of Power and Gas Employees (UPAGE)**

The Union of Power and Gas Employees (UPAGE) was formed in 1995. The mission of UPAGE is to establish UPAGE as a progressive, credible and effective union, to develop its members into a multi-skilled, thinking, diligent and responsive work-force capable of operating in a knowledge-based economy and adding value to employers, and to enhance the quality of life of members. For more information on UPAGE, please visit [www.upage.org.sg](http://www.upage.org.sg)

### **About Singapore Workforce Development Agency (WDA)**

The Singapore Workforce Development Agency (WDA) enhances the competitiveness of our workforce by encouraging workers to learn for life and advance with skills. In today's economy, most jobs require not just knowledge, but also skills. WDA collaborates with employers, industry associations, the Union and training organisations, to develop and strengthen the Continuing Education and Training system that is skills-based, open and accessible, as a mainstream pathway for all workers - young and older, from rank and file to professionals and executives - to upgrade and advance in their careers and lives. For more information, please visit <http://www.wda.gov.sg>

### **About e2i (Employment and Employability Institute)**

e2i (Employment and Employability Institute) is a one-stop, skills-based institute for job seekers, employers and training providers. It has a job vacancies bank of over 12,000, and has assisted over 60,000 job seekers through training and finding new and better jobs in 2009. To ensure that job seekers meet the hiring requirements of employers, e2i conducts employment coaching, career coaching and conducts employability and skills training. e2i serves all segment of workers, from rank and file to professionals, managers, executives and technicians. e2i an initiative of the National Trades Union Congress (NTUC), supported by the Workforce Development Agency (WDA), the Singapore Labour Foundation (SLF),

and the Singapore National Employers' Federation (SNEF). For more details on e2i, please visit [www.e2i.com.sg](http://www.e2i.com.sg).

## **(A) About the Energy Utilities Industry**

### **Overview**

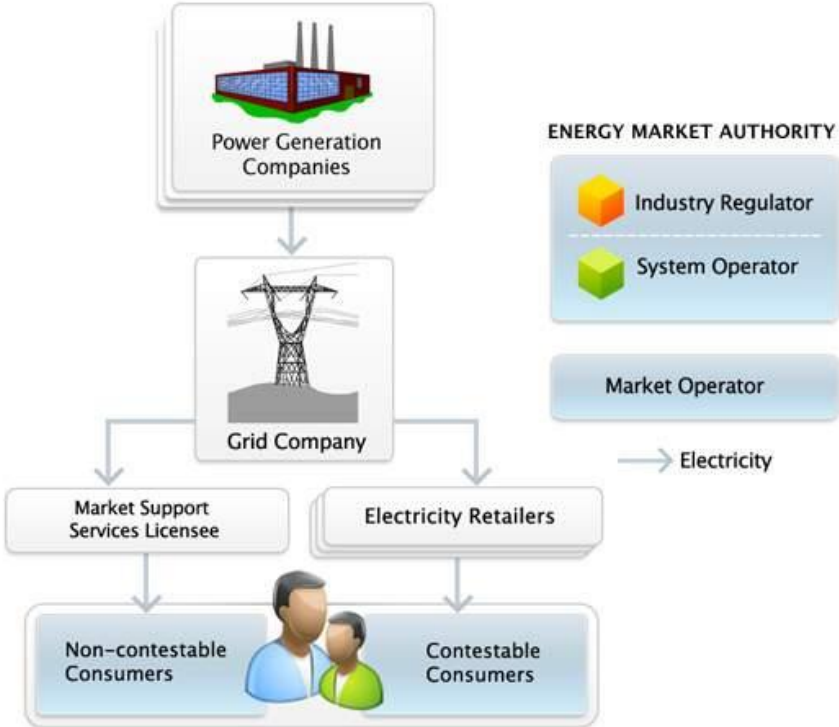
The electricity and gas industries in Singapore have been restructured and a competitive market framework has been put in place. This enables competition among the companies operating in the industry while ensuring the reliable and secure supply of electricity and gas to consumers.

Singapore's energy sector sees many exciting opportunities, from gas import to electricity generation to renewable energy as demand for energy increases in tandem with economic growth.

### **Electricity Industry**

The Singapore electricity industry had traditionally been vertically integrated and Government-owned. Tremendous progress has been made since 1995 to liberalise the electricity industry for greater efficiency and innovation. The electricity generation and retail business was separated from the natural monopoly of electricity transmission at the ownership level in 2001. The National Electricity Market of Singapore (NEMS) commenced operation on 1 Jan 2003. In the NEMS, which is a real-time electricity trading pool, generation companies compete to sell electricity every half-hour. In addition to electricity, trading of operating reserves to maintain system security and reliability also takes place in the NEMS on a half-hourly basis. Electricity retailers buy electricity from the NEMS and offer packages to sell electricity to contestable consumers. The electricity sales revenue for 2009 is about SGD 7 billion.

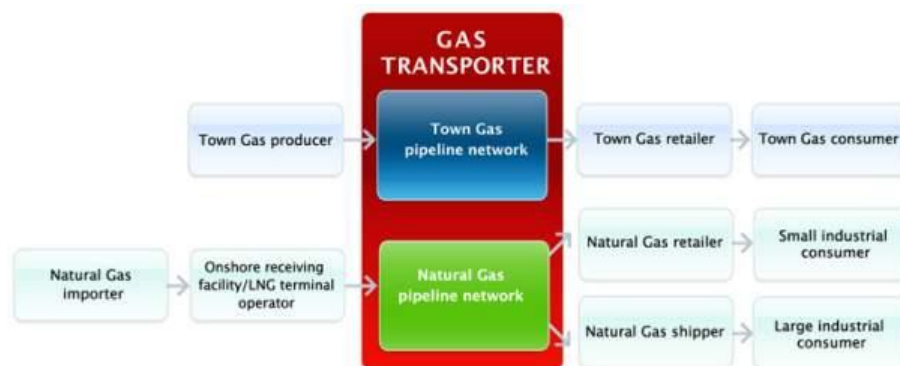
ELECTRICITY INDUSTRY STRUCTURE



## Gas Industry

With natural gas becoming the dominant fuel for electricity generation in Singapore, the gas industry has been restructured with a competitive market framework to support the reform of the electricity industry. The new gas industry structure has been put in place since September 2008. As part of the restructuring, the gas transport business has been separated from the competitive business of gas import and retail.

Currently, the gas system in Singapore consists of two separate gas pipeline networks namely, the town gas pipeline network and the natural gas pipeline network. The town gas pipeline network serves about 50% of the households in Singapore. Town gas, which is used mainly for cooking and heating by domestic and commercial customers, is manufactured and retailed by City Gas Pte Ltd. Natural gas is imported into Singapore from Malaysia and Indonesia via four offshore pipelines. Singapore has decided on the import of Liquefied Natural Gas (LNG) to diversify her sources of natural gas. Construction for the Singapore's first LNG receiving terminal is underway. The terminal will be Asia's first open-access multi-user terminal, capable of importing and re-exporting LNG from multiple suppliers. The new gas industry structure is shown below.



## Facts and Figures

- 81% of Singapore's electricity is generated from natural gas, 15% by fuel oil and 4% others such as waste incineration, diesel, synthetic gas and solar photovoltaic (PV). As shown in the figure below, there is a major

change in the percent of natural gas used for power generation from year 2001 to 2009.



- In Singapore, 10,000 large industrial and commercial consumers have become contestable, ie they can choose to buy electricity from their selected retailers. These contestable consumers account for 75% of total electricity sales. The non-contestable consumers comprising mainly small businesses and households represent 25% of the total electricity sales in Singapore.
- In 2009, the Energy Utilities industry employed more than 4,500 people with more than 98% of the workforce being Singaporean/PRs. Approximately 51% of the workforce possess 'O' level/Nitec/Higher Nitec qualifications. These workers typically enter the industry to take on roles of Technicians or Operators.

### **(B) Energy Utilities Workforce Skills Qualification (WSQ)**

To provide a structured training and skills upgrade framework for the Energy Utilities Industry, the Singapore Workforce Development Agency (WDA), Employment and Employability Institute (e2i), UPAGE - the industry union of power and gas employees, and all the HR and training leads from the industry came together to develop a WSQ framework for the employees. Despite the competitive nature of the industry, the major players namely,

- Singapore Power Group (SP PowerGrid)
- City Gas
- Senoko Power
- PowerSeraya
- Tuas Power
- Sembcorp Industries (Sembcorp Utilities)
- Keppel Energy (Keppel Merlimau Cogen)

came together and jointly developed the Energy Utilities WSQ framework with support from Energy Market Authority (EMA), the regulatory authority for this industry. The development of this framework further affirmed the strong tripartite commitment towards enhancing the employability and productivity of our workforce.

Employees in these companies are overwhelmingly Singaporean and mature workers who have been with the companies for an average of 10 years and more. In addition, with projected expansion in the industry, training and upgrading through a WSQ framework is a timely move to equip the workers with nationally recognised skill-sets.

Prior to the roll-out of the Energy Utilities WSQ, training was typically conducted in non-structured ad-hoc manner. For workers, they can now obtain nationally recognised qualifications instead of in-house or vendor certification. Credentials recognised at the national level will enhance their portability when the workers move within the industry. The WSQ certification not only provides the companies a structured training roadmap as part of their Human Resource Development (HRD) practices for their employees, it also gives companies the assurance that when they recruit new workers, candidates who are WSQ trained will have the right skills for the job.

The Energy Utilities WSQ is currently targeted to provide upgrading and training opportunities for workers within the industry. Companies will enjoy absentee payroll and training subsidy funding for every Singaporean/PR worker trained. In addition, companies with new hires will benefit from a structured training framework for their workers.

### **(C) Certification available in the Energy Utilities WSQ**

The Energy Utilities WSQ offers 3 levels of certification across 4 specialisation tracks. The certification levels are:

- WSQ Certified Energy Utilities Professional
- WSQ Certified Energy Utilities Technical Supervisor
- WSQ Certified Energy Utilities Technician

(i) To attain the “WSQ Certified Energy Utilities Professional” certification, a trainee has to attain 9 Statement of Attainments (SOAs) which includes:

#### 02 x Industry Core Competency Units

1. Manage teams in workplace
2. Manage WSH policies in the workplace

#### 01 x Sector Core Competency Unit

The Sector Core Competency Unit stipulated in the corresponding specialisation track.

#### 06 x Sector Specialisation Electives Competency Units

Trainee can choose from a list of electives which are deemed to be useful for their current job-scope, future work challenges or based on recommendations from their company’s individual training roadmap.

(ii) To attain the “WSQ Certified Energy Utilities Technical Supervisor” certification, a trainee has to attain 8 Statement of Attainments (SOAs) which includes:

03 x Industry Core Competency Units

1. Supervise WSH practices
2. Supervise team at work
3. Supervise work improvement processes

01 x Sector Core Competency Unit

The Sector Core Competency Unit stipulated in the corresponding specialisation track.

04 x Sector Specialisation Electives Competency Units

Trainee can choose from a list of electives which are deemed to be useful for their current job-scope, future work challenges or based on recommendations from their company’s individual training roadmap.

(iii) To attain the “WSQ Certified Energy Utilities Technician” certification, a trainee has to attain 6 Statement of Attainments (SOAs) which includes:

02 x Industry Core Competency Units

1. Apply teamwork in the workplace
2. Apply workplace safety and health policy

01 x Sector Core Competency Unit

The Sector Core Competency Unit stipulated in the corresponding specialisation track.

03 x Sector Specialisation Electives Competency Units

Trainee can choose from a list of electives which are deemed to be useful for their current job-scope, future work challenges or based on recommendations from their company's individual training roadmap.

The WSQ Energy Utilities certifications can be obtained via the Training and Assessment Pathway or Assessment-Only-Pathway (AOP). For the Assessment-Only-Pathway, trainees undertake assessment without going through training. This helps to save time and resources if trainees already have the necessary prior experience and skills and just need to certify their skills.