

**MR THOMAS CHUA, PRESIDENT OF SCCCI,  
NOMINATED MEMBER OF PARLIAMENT  
AT PARLIAMENT SITTING ON 15/16 AUGUST 2016**

**Ministry of Education: SkillsFuture Singapore Agency Bill**

Madam Speaker, having read the objectives and functions of the SkillsFuture Singapore Agency, I support the SkillsFuture Singapore Agency Bill.

**1. Active involvement of enterprises and trade associations is necessary under the SkillsFuture concept**

This Bill brings vocational education and lifelong learning under the jurisdiction of the Ministry of Education. This is a very fundamental change in the national education concept. In order for this concept to succeed, we cannot just rely on the government and statutory boards. It is important for all enterprises and trade associations to be actively involved.

**2. Manpower challenges becoming more serious**

Changes in Singapore's demography has already created serious manpower challenges. The ageing population, higher educational standards, low fertility rates, and the continued decline in new workforce are some of the contributing factors. At the same time, some workers lack the skills to cope with the restructuring economy, and with the curbs on foreign workers, the manpower woes faced by businesses are becoming more apparent.

**3. Gaps between education system and actual job market**

Even as businesses are unable to find workers, there are reports in the media on university graduates not able to find jobs. Ministry of Manpower statistics show that between 2007 to 2015, the employment rate of local university graduates has declined, from 94.5% to 88.9%. Among these, the employment rate of graduates working full-time dropped from 89.8% to 82.4%, while the employment rate of those working part-time has risen from 4.7% to 6.6%. This is certainly a regrettable situation. This predicament prompts the question of whether the nurturing of talent via our education system has been too advance, and mismatch with actual job market needs? Students are educated in an ideal environment with the latest technology. However, when they enter the job market, they may find that the work requirements is less advance to the skills they had learnt. Although we are constantly urging SMEs to upgrade their work environment and to build up their brands, the process of transformation takes time.

#### **4. SkillsFuture requires the alignment of training institutions with market requirements**

Thus, setting up the SkillsFuture Singapore Agency, putting basic education and continuing education into one integrated system, and treasuring every Singaporean's social value, allowing education and training to directly complement the needs of society, is a significant mindset change for the government. Under the coordination of the Ministry of Education, the SkillsFuture Singapore Agency could work closely with ITEs, polytechnics, universities and private training institutes to make timely adjustments to the skills training framework according to market requirements.

#### **5. SMEs remain at a disadvantage compared to large companies and MNCs**

However, my reservation is that once the SkillsFuture Singapore Agency comes under the Ministry of Education, would the Ministry of Education have a comprehensive understanding of employment needs? Would it be sufficiently in-depth? At this stage of economic transformation, market changes are not only accelerated but are complex. Emerging industries need manpower, and so do traditional industries, while MNCs have the greatest appeal for young people. When the government started to promote SkillsFuture, large companies started to get involved and provided internship opportunities to compete for the best talent. In this regard the SMEs are at a real disadvantage.

#### **6. Mismatch in job supply and demand**

In the current vocational education system, including polytechnics and ITEs, there has always been a mismatch in supply and demand. Some students are choosing a discipline blindly with no understanding of the industry. They only find out after graduating that they do not like what they studied. Some have graduated but do not enter the job market, and hope to pursue further studies; there are other students whose areas of study are too advanced and cannot be applied in local enterprises. All of these scenarios aggravate the manpower shortage.

#### **7. SkillsFuture Singapore Agency should also cater to the interests of traditional industries and SMEs**

Hence, I do hope that when the SkillsFuture Singapore Agency draws up its policies, it would look after the interests of traditional industries and SMEs and not only consider the high value-added industries or newly-emerging industries. Enterprises can only function if they have people. Without people it is pointless to discuss anything. Basically, we have to fill our stomachs before considering growth.

## **8. Trade Associations can play an important role in SkillsFuture**

In this area, trade associations can play an important role. Every trade and industry association fully understands their manpower needs, and could provide the latest industry development scenarios. Local trade associations must collaborate closely with the Ministry of Education and the SkillsFuture Singapore Agency to tailor the skills framework for specific industries and to make the necessary preparations for the future growth of their industries. Grooming talent entails a continuous process and mutual coordination. Each stage has its focus; participating in the training process as early as possible could narrow the gap between manpower needs and the supply of talent.

## **9. Ministry of Education should achieve a balance between the education system and manpower needs**

Looking back, the Ministry of Education has undergone many strategic changes in direction, from the mode of survival in 1959, to the direction of effectiveness in 1979, on to skills in 1997, and to that of value in 2011. Now, with the establishment of the SkillsFuture Singapore Agency, the Ministry of Education will coordinate the manpower plans of all trades and industries, and look after the lifelong learning journey of every individual. Hence, I earnestly hope that the Ministry of Education could balance the relations between the education system and manpower needs, and that in this crucial period of economic restructuring, it could adapt to the changes in the environment, and restructure the workforce to continually provide the Singapore economy with skilled and quality talent, and enable each and every Singaporean to realise his/her full potential.