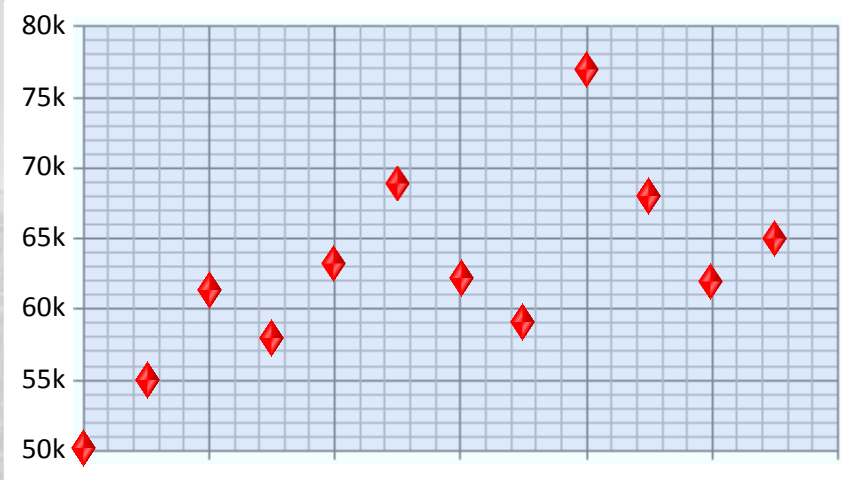


Review of Manned Guarding Singapore 2018

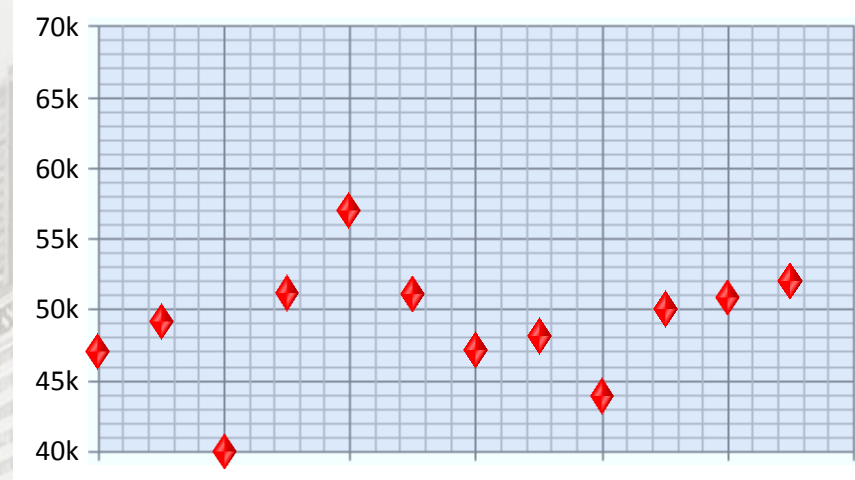


Pay rates and hours for security personnel (SGD)

In-house Site Manager annual pay rates:

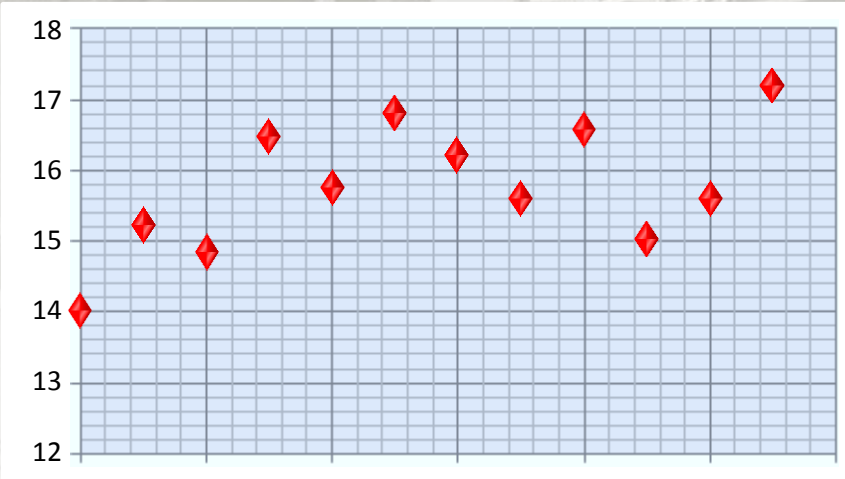


Contracted Site Manager annual pay rates:

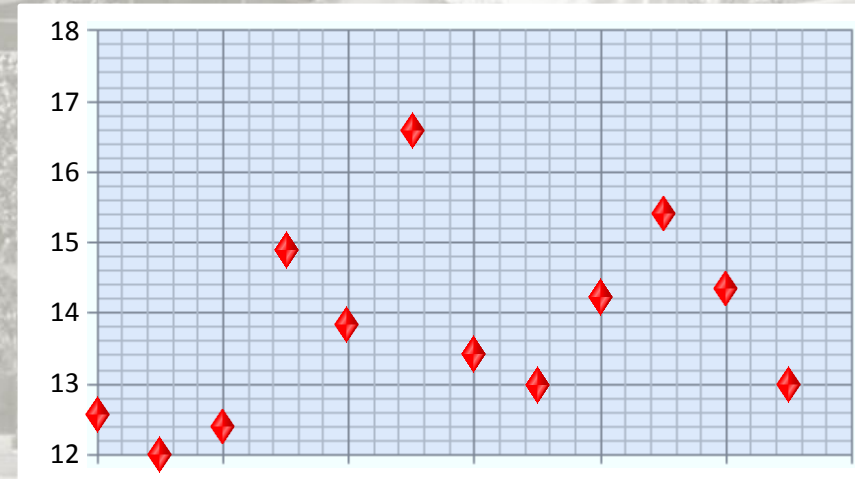


Graph data based on a 44 hour average week, the consensus being that costs for this role will increase by an estimated 12.4% within 24 months.

In-house Shift Manager hourly pay rates:



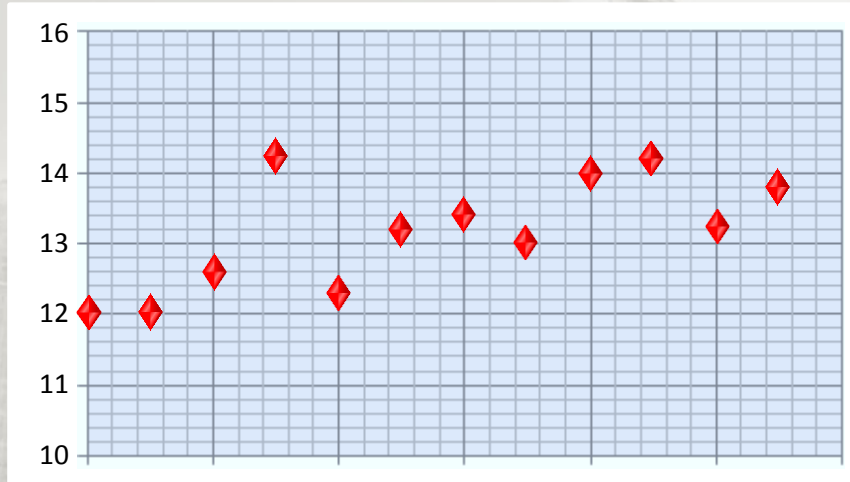
Contracted Shift Manager hourly pay rates:



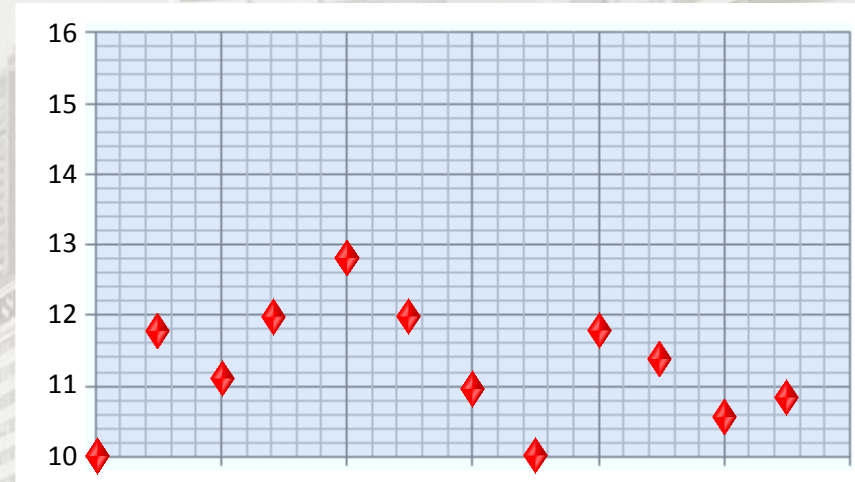
Graph data based on a 60 hour average week, the consensus being that the costs for this role will increase by an estimated 11.9% within 24 months. The current practice - in which security companies apply for OT exemptions so their employees can work past this limit - will be discontinued from 2021. The higher basic pay and subsequent annual increments are intended to offset the cap on OT hours. Security agencies must adopt the new recommendations from Jan 1, 2019.

Pay rates and hours for security personnel (SGD)

In-house Shift Security Officer hourly pay rates:

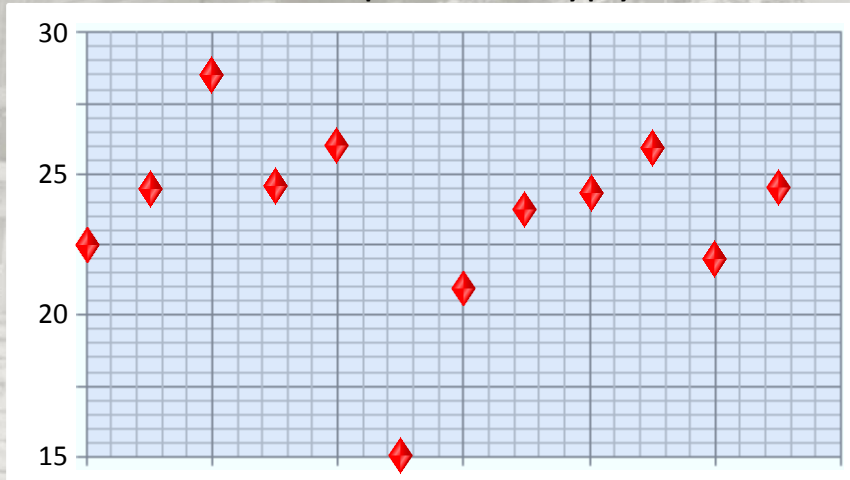


Contracted Shift Security Officer hourly pay rates:

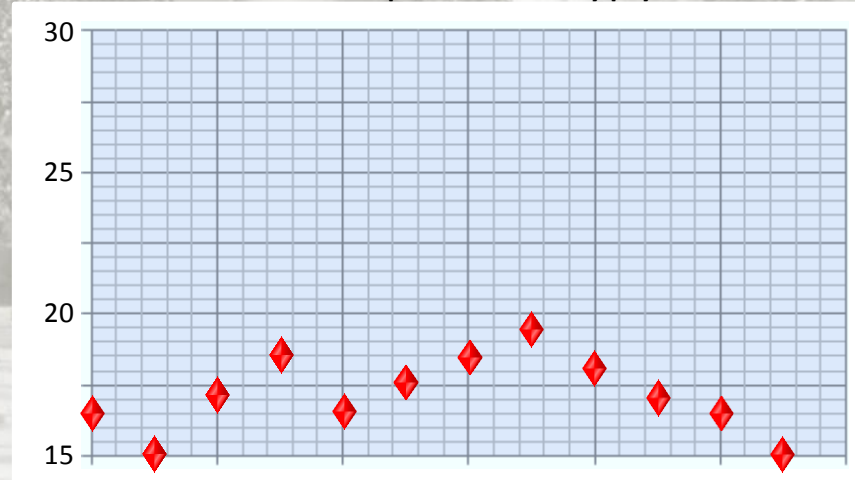


Contractor pay based on a 60 hour average week, the consensus being that the costs of this role will increase by an estimated 17.8% within 24 months. The current practice - in which security companies apply for OT exemptions so their employees can work past this limit - will be discontinued from 2021. The higher basic pay and subsequent annual increments are intended to offset the cap on OT hours. Security agencies must adopt the new recommendations from Jan 1, 2019.

In-house Reception Desk hourly pay rates:



Contracted Reception Desk hourly pay rates:



Graph data based on a 44 hour average week, the consensus being that the cost of this role will increase by an estimated 5.2% within 12 months.

As part of our global remuneration review focusing on Singapore, SSR Personnel contacted multiple companies in various industries. We set out to gauge opinions on the following questions:

Q: Is Manned Guarding affordable at present and in the future?

'Security services for warehouses retail are affordable in Singapore and are expected to remain that way. Hourly cost is controlled based on 3-Years negotiation & limitation of the rate of increase. Then for the stores for example, it is always possible to adjust the number of hours or reduce the number of manned guarding in link with the risks. For specific security (events, close protection, Jewelry transportation, manned guarding with specific training, high-profiles, skills), it could be less affordable.'

'In Singapore costs for manned guarding remain moderate, but significantly higher than neighbouring countries. The question of affordability will depend on the quality of service and consistency of staffing which organisations are prepared to accept.'

'Will always be affordable as service providers will try to find ways in getting more projects in the competitive market.'

Q: Can the sector providers maintain the quality of service that clients seek?

'To maintain the quality, specific training (matching the sector) and update/refresh are key. Singapore manned guarding received a basic training but rarely regular updates: first aid, emergency evacuation, how to react in case of theft, client overreacting, unlawful conduct, latest technologies... The level of overnight security is also very low. To maintain a high quality of service, the client has to accept to pay the right price, but the tendency is to increase the number of tenders, bids. As well I can say that even a client accepts to increase the cost per hour, the quality can remain the same.'

'In general security guarding vendors struggle to provide a consistent quality of service, predominantly due to staff churn. Quality employees are in demand & will "job hop", even for insignificant salary increases. In Singapore for example, very few Singaporean citizens see security guarding as a career, as a result the workforce is predominately made up of approved foreign workers, students and retirees.'

'There will be a minimum standard / requirement that the local regulatory has in place and the service providers have to follow. Additional service quality will depend on the reputation of the service providers and operational cost. The higher fees come with higher expectations from both clients and service providers.'

'When answering these questions it's better to put things into perspective as Singapore is a funny beast. There are labour force regulations in place, however these aren't overly enforced and there's a type of 'legal' modern slavery going on. This means, 3rd party vendors are now going outside to secure manpower instead of utilizing Singaporean headcount. They will charge the client, for example, ~SGD\$2,000/month per man but only pay the man ~SGD\$1,000/month. Manpower also falls within different areas too; critical versus just guards in buildings and facilities. The majority of building guards are older, less educated, potentially former military personnel, and don't get paid very much at all... ~SGD\$900-\$1,500 per month. These guards are hired by building management. This also goes for most facilities, clubs, golf courses, etc.'

Q: Should we be increasing technology in service delivery?

'Technology can facilitate the services (apps permitting to manage the absence of a guard, to adjust resources more easily for a client) and support security (tracking of products within a store or a storage, e-training through smartphone on-site, CCTV recognition of shoplifters, remote monitoring). The right balance should be found combining committed, well trained manned guard & new technology.'

'Technology is the future for provision of physical security services; this will also include integration of cyber + physicals security. In the future, enhance technology, such a facial recognition, artificial intelligence and machine learning will result in the development of a new level of security technology, which will allow for the creation of enhanced security environments, allowing significant reductions & in some case, removal of manned guarding services. There is also a trend of reverting to 'liquid workforce' models, where 'static' guards are replaced with patrol / response services.'

'Yes...noticed a number of service providers have been offering additional technology services (CCTV / alarm monitoring) as part of the package.'

'Critical facilities, such as manufacturing plants, petro-chemical facilities, etc. are typically manned by specialist guards who have training in CCTV, unarmed combat, specific technical requirements (if required), and are either hired in-house or by 3rd party vendors. Again, there'll be a difference in salary's between the two but these folks would be typically paid SGD\$2,500-\$5,000 per month. Never any more than that.'

Q: Is there a trend to going in-house to deliver a more secure security environment?

'It is not a trend in our area as the level of shrinkage, shoplifting is very, very low & environment is very safe. But yes in other countries (USA), in-house security is reliant and replacing outsource security: permitting to ensure tasks that outsource security is not allowed to conduct (access to CCTV records, interviews, maintenance follow-up, provide insights, protect stock loss & reduce loss, transportation of valuable products...).'

'To achieve consistency, both in quality of service + continuity of personnel, environments which have need to maintain manned guarding services are reverting to in-house models & although salaries may not significantly increase staff appear to have significantly enhanced loyalty, resulting a lower churn levels.'

'Not that I'm aware of.'

'Large MNC's have their own security groups that oversees 'guards and cards' services and typically hire contract staff, either through a 3rd party vendor or just under contract with the company (these are known as expert staff). They are overseen by the company who employs them, however certain things such as health insurance and medical are not provided. But, they are provided with significant training in OHS, workplace violence, etc. and have the technological skills to work within these environments. Again, they'd be on the same salary as those above.'

'What's happening nowadays, though, is we're seeing more and more staff coming in from overseas, which is paid significantly less than Singaporeans. These folks are coming in from India, the Philippines, and Vietnam. It's a sore point amongst many Singaporeans.'