



The ST Jobs Career and Learning Fair last year. Changes to the Fair Consideration Framework will nudge employers to reconsider their hiring strategies, driving up competition for local workers, according to academics and human resources experts. ST FILE PHOTO

## UK-focused commercial property Reit seeks to list in Singapore

**Grace Leong**  
Business Correspondent

Elite Commercial Real Estate Investment Trust (Reit) lodged its preliminary listing prospectus yesterday, positioning it to be the first initial public offering (IPO) for a trust this year.

It will also be the first Reit denominated in British pounds to list here.

This is in line with a slew of foreign commercial Reits, four of which listed in Singapore last year – ARA US Hospitality Trust, Eagle Hospitality Trust, Prime US Reit and Lendlease Global Commercial Reit.

Elite Commercial Reit Management, the trust's manager, registered the preliminary prospectus with the Monetary Authority of Singapore.

The prospectus states that the sponsors are Elite Partners Holdings (EPH), the investment holding firm for Elite Partners Group, Ho Lee Group and Sunway RE Capital, a wholly-owned subsidiary of Sunway, one of Malaysia's largest conglomerates.

The Reit has an initial portfolio comprising 97 mainly freehold properties in Britain with a total appraised value of £319.1 million (\$561 million).

A quarter of the properties – by rental income – are in London, with the rest in second- and third-tier cities across Britain, including Glasgow and Cardiff.

They have a total net internal area of 2.6 million sq ft, and a total site area of about 47 ha.

More than 99 per cent of the gross rental income is derived from leases with the British government.

The manager believes that the IPO portfolio provides an "attractive risk-adjusted return compared against (British) government 10-year bonds. It provides a net property income yield of 7.1 per cent".

The cornerstone investors are certain private banking clients of UBS, Bank of Singapore and CIMB Bank.

The total IPO proceeds and issuance of the cornerstone units will be used towards partial repayment of loans, redeeming a number of the private trust units, payment of transaction costs and working capital.

Distributions to unitholders, which will be declared in British pounds, will be computed based on 100 per cent of Elite Commercial Reit's annual distributable income for the period from the listing date to the end of 2021.

The Reit will then distribute at least 90 per cent of its annual distributable income semi-annually. The first distribution – based on the period from the listing date to June 30 – will be paid by Sept 30.

OCBC Bank and UBS are the joint issue managers.

The joint book runners and underwriters are OCBC, UBS, CGS CIMB and China International Capital Corporation.

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# Tougher penalties can boost wages, training opportunities

## Updated framework has stiffer punishments for firms with discriminatory hiring practices

**Aw Cheng Wei**

Higher wages and more training opportunities may be on the cards for Singaporean workers following updates to the Fair Consideration Framework (FCF) that introduced stiffer penalties for firms with discriminatory hiring practices.

Academics and human resources experts told The Straits Times that the changes will nudge employers to reconsider their hiring strategies, driving up competition for local workers.

Assistant Professor Lawrence Loh at the National University of Singapore Business School said competition for locals may rise, and this can drive up wages.

Manpower Minister Josephine Teo announced on Tuesday that the updated framework introduces stiffer punishments for firms that do not consider locals fairly before they hire foreigners.

Penalties include debarment from applying for and renewing work passes for at least 12 months, up from a minimum of six months.

Ms Linda Teo, country manager for ManpowerGroup Singapore, said the revised framework will prompt employers to invest in developing the local workforce.

"Local PMETs (professionals,

managers, executives and technicians) are likely to benefit most from the changes," she added.

Prof Loh said the updated framework may drive up the costs of operating in Singapore, but it is the right way forward.

"Many companies rely on foreign workers due to lower costs," said Prof Loh, who is director at the Centre of Governance, Institutions and Organisations.

"The consequential impact (of the change) is that more firms will now find it necessary to train locals... Companies must not take the easy way out by relying on foreign workers."

Companies that require specific technical skills that the local talent pool may not possess could find the changes challenging, said Prof Loh.

The widening skills gap in Singapore was highlighted by Mrs Teo and a World Economic Forum report in October.

A check with Workforce Singapore (WSG) shows around 30,000 jobs posted on MyCareersFuture.sg portal currently, which replaced the Jobs Bank.

A WSG spokesman said the figure has "consistently been the average for the past few months, and is a 30 per cent increase compared with January 2019".

The spike can be partly attrib-



LIKELY BENEFICIARIES

**Local PMETs (professionals, managers, executives and technicians) are likely to benefit most from the changes.**



**MSLINDA TEO**, country manager for ManpowerGroup Singapore. She added that the revised framework will prompt employers to invest in developing the local workforce.

**Nursing is one of the jobs most in demand on MyCareersFuture.sg, along with software developer, business analyst, restaurant manager, and pre-primary education teacher.** ST FILE PHOTO

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uted to the addition of listings from job site Indeed, which was incorporated into MyCareersFuture.sg in June.

The jobs most in demand on MyCareersFuture.sg are software developer, business analyst, restaurant manager, nurse and pre-primary education teacher, while the most popular jobs are project manager, accountant, accounts executive, finance manager and human

resource executive.

Jobs in demand are vacancies that employers are seeking to fill, and where there is strong demand for the right skills and talent. Jobs listed as popular are those that receive a high number of applications, and jobseekers may face more competition when applying for these jobs.

Employers must advertise openings for jobs paying below \$15,000

a month on the portal for at least 14 days before applying for an employment pass for a foreigner.

The spokesman said: "While employers post jobs on MyCareersFuture.sg to fulfil the Fair Consideration Framework requirement, many of them post jobs on the portal because they... want to reach out to local jobseekers."

## News analysis

# Fair hiring framework good step but could be further refined



**Choo Yun Ting**

The Fair Consideration Framework, which mandates that employers consider Singaporeans fairly for all job opportunities before hiring Employment Pass holders, has been given more bite.

The stiffer penalties – which include restrictions on hiring foreigners and prosecution over making false declarations – have been welcomed by experts.

Singapore Business Federation chief executive Ho Meng Kit said "it is a heavy hand on those who refuse to comply, but a light touch for the majority who comply".

Just how effective will these measures be?

## WHO BEARS THE BRUNT OF SANCTIONS?

The penalties curtailing the hiring of foreign workers would force errant employers to hire more expensive locals, which could lead to higher manpower costs.

But debarment firms from renewing work passes is "an indiscriminate punishment" which hurts the affected foreign workers more than employers, said

Associate Professor Walter Theseira of the Singapore University of Social Sciences. This is especially for those who took loans or made other sacrifices to move to Singapore.

"These workers are not at fault for their bosses' mistakes... and we should try to minimise the fallout for third parties who are not part of the decision process," Dr Theseira said. But the likes of foreign human resources personnel who made unfair hiring decisions, such as hiring their own countrymen, should be held accountable.

## DIFFERENT OFFENCE, SAME PENALTY

The same penalties apply across all forms of discriminatory hiring practices, whether in terms of nationality, age, gender or health conditions – which means "stronger deterrence against workplace discrimination of any kind", said Manpower Minister Josephine Teo on Tuesday.

Yet, the penalties are very much skewed towards addressing hiring discrimination against Singaporeans only.

About half of the 280 discrimination cases between 2014 and 2018 that saw the Ministry of Manpower curtail work pass privileges were nationality-related.

How would restrictions on hiring foreign workers apply in a case where an employer discriminates against an older employee, in a company that only hires

Singaporeans, for instance?

Professor Ho Yew Kee of the Singapore Institute of Technology said penalties should directly address and neutralise the root causes or motivations for the different forms of unfair hiring practices.

He said the key motivation for discriminating against local workers may be because they demand higher salaries than foreign workers, and the corresponding financial penalties or curbs on hiring foreigners will hit such companies where it hurts.

Discrimination against age, race or gender, however, is more likely to do with personal biases which need to be addressed. The transgressing employers or staff could be made to attend anti-discrimination courses.

Professor Foo Maw Der of Nanyang Technological University's Nanyang Business School suggested moving beyond penalties, saying practices such as providing mentorship for female professionals could be encouraged at firms with gender-bias practices.

## WHAT IT ADDRESSES

Stiffer penalties under the Fair Consideration Framework signal the Government's intent to stamp out discrimination and weed out recalcitrant firms.

But Prof Foo noted that the updated framework does not make it harder for foreigners to be hired. "It only encourages companies to

make a genuine effort to hire locals who have the required job skills."

The framework could be extended to more employment categories, he suggested.

Dr Gillian Koh, deputy director of research at the Institute of Policy Studies, said that while the Government has its force of policy,

laws, enforcement and penalties, businesses have to play their part in practising fair consideration. "It is important... to keep raising awareness and consciousness, to set the right tone and value system that we want," she said.

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