PRIME MINISTER LEE HSIEN LOONG’S NATIONAL DAY RALLY 2013 (SPEECH IN ENGLISH)

Good evening again. I hope you have enjoyed taking a look at the campus and meeting the students here at ITE College Central. I brought the Rally to ITE for a serious purpose – to underscore my longstanding commitment to investing in every person, every Singaporean, to his full potential. And also to signal a change, to emphasise that this is not the usual NDR. Singapore is at a turning point. Tonight, I will talk about the challenges which we face and what we must do to change to respond to these challenges in this new phase of our development and nation-building.  
  
Last year, I spoke about these essential elements of our future, “Hope, Heart and Home”. Since then, we have been holding Our Singapore Conversation (OSC) on building a better Singapore. The OSC took a fresh approach to engage Singaporeans. They had no pre-set agenda, it was a fully open discussion and it elicited a very positive response. Nearly 50,000 people participated in diverse groups. We had elderly residents meeting at the Yuhua Hawker Centre. Grace Fu brought them in and they had the discussion in dialects. I think they had the time of their lives and also appreciated being heard. We had the arts and the culture community expressing their point of view. We had schoolchildren drawing pictures of what they aspired to see when they grew up one day. They shared what Heart, Hope and Home meant to them.  
  
They also expressed what they wanted to see in Singapore. First of all, opportunities - opportunities to lead fulfilling lives, to realise one’s potential. Secondly, purpose - coming together to build a better Singapore. Thirdly, assurance - assurance that our basic needs can be met, that we do not have to face life’s uncertainties alone. Fourth, community spirit - closer community ties, stronger social cohesion, a warmer kampong spirit. And finally and fifthly, trust - trust between the Government and people, trust among Singaporeans. And these themes were summarised in the OSC exhibition which I hope you had a look at outside this auditorium. I had tea recently with the OSC Committee members, the facilitators, the volunteers, to thank them for what they were doing and I asked them what was their biggest takeaway from this exercise. They said, the spirit of openness. Participants realising that others had different, even conflicting views and that these views had to be reconciled, respected and we had to find a way forward, consensus where possible, sometimes agree to disagree. So the OSC has been a very meaningful exercise. We have listened to one another, we have created a firmer, shared basis to discuss and to plan our future and I would like to thank the OSC Committee members, the facilitators, the volunteers and the participants for all the work which they have done. Thank you very much.  
  
To achieve our aspirations, we need to take into account the world around us. This is a time of rapid change and uncertainty. I have discussed these themes before many times, so tonight, I would just like to briefly share with you a few striking facts about technology, about globalisation, about competition and income inequalities. Technology is transforming our lives. Even tonight as I am talking to you, more than a few of you are taking pictures, tweeting, Facebooking and Instagramming in real time. But it is not just social media. We have 3D printing, a machine which can print spare parts, print models, print toys, print pistols, print body parts, organs; print things which can make a difference to our lives. Medical devices - we have been doing this research. A\*STAR has a 3D printer which can print Bone Tissue Scaffolds and let me show you this picture. (Pointing to slides) This is a printer behind, this is the monitor and you can see the thing which it is printing. It looks like a little rectangle with two holes in it. Those are the Bone Tissue Scaffolds. What do you use it for? If you have a tooth extraction, after the dentist has taken a tooth out, you have a hole in your gum, you put this in, it helps the bone to grow back. And you can see this one is about to come in and on the left you can see there is one already done. A bionic person is some distance off yet but we are heading in that direction. Less spectacular but equally far-reaching are robots, Artificial Intelligence, programmes which can do smart things which previously only human beings could do. Not just placing chips on the production line but skilled, professional jobs - accounting, legal advice, radiology, reading X-rays. In the old days, each one was a professional job. You needed a lawyer, highly paid, or a doctor or an accountant. Now the basic work can be delegated to a computer programme. Liberating for us, a bit scary if you were doing that job before, but that is competition.  
  
Competition from technology, competition also from new emerging economies - China, India, Vietnam. China and India alone have one billion workers altogether. Every year, millions of new graduates are entering the workforce. Just now in the Mandarin speech, I said seven million (per year) from China. If we add in some more from India, it is ten million a year, all hungry, looking for work. Quite formidable. One of our young professionals who took part in an OSC dialogue in Shanghai said, “I thought I could survive in China quite easily but I was wrong”. He had to scramble, but fortunately other OSC participants said that learning Mandarin in Singapore had helped them in China. They may not have enjoyed it in school or PSLE but now that they are working, they appreciated its value and they are grateful we forced them to do it. So we are seeing competition and we are seeing income inequality rising, the top zooming away, middle class stagnating. People with exceptional skills, globally in demand doing very well, not just IT or financial services, but even culture or sports. Take Ronaldo, the footballer. He visited a secondary school last month, Crest Secondary School in Singapore. He got mobbed! He has many fans in Singapore. If you go to his Facebook page, 60 million Facebook fans; 20 million Twitter followers. In Chinese they say da wu jian xiao wu (小巫见大巫), a little kucing kurap looking at this mega star. Therefore, spectacularly successful; but not everybody else can be as talented or as lucky as Ronaldo. So people have to work a lot harder, may not be earning a lot more but enjoying less job security than before.  
  
So Singaporeans are affected by these global trends and feeling uncertain and anxious also because in Singapore too, technology and globalisation are widening our income gaps and in addition to that, we have domestic social stresses building. Our population is ageing, society becoming more stratified, less mobile, children of successful Singaporeans more likely to do well. Children of lower income families, fewer of them rising than in previous generations. It is a reality and we acknowledge it; we have to do our best to do something about it. These trends are compounded by day-to-day problems –cost of living, public transport, you know them as well as I do. So Singaporeans sense correctly that the country is at a turning point. I understand your concerns. I promise you, you will not be facing these challenges alone because we are all in this together. We will find a new way to thrive in this new environment.  
  
TOGETHER, OUR NEW WAY FORWARD  
  
My colleagues and I have been pondering these problems over the past year, thinking hard about them. What principles have worked for Singapore? What changes do we have to make, how can we continue to thrive and prosper? The OSC process and reflections have given us valuable inputs into this. They have expressed Singaporeans’ views and feelings on where we stand and what we want Singapore to be and it has given us confidence to set out a new way forward.  
  
We must now make a strategic shift in our approach to nation-building. Singapore has been built on three pillars - the individual, the community and the state – and each has played a role complementing one another. The individual working hard, saving for himself and his family. The community getting together to help different groups of people, whether it is a union, whether it is VWOs, whether it is business federations, the clans, each group coming together strengthening one another. And overall, the Government creating the conditions for a vibrant economy and for good jobs, investing heavily in our people through education, through housing, through healthcare but keeping state welfare low and targeted, stringent. Some people call this tough love but it is tough love which has worked well.  
  
Today, the situation has changed. If we rely too heavily on the individual, their efforts alone will not be enough, especially among the vulnerable like the low- income families, like the elderly. And there are some things which individuals cannot do on their own and there are other things which we can do much better together. So we must shift the balance. The community and the Government will have to do more to support individuals. The community can and must take more initiative, organising and mobilising ourselves, solving problems, getting things done. We have to be a “democracy of deeds and not a democracy of words”, as Mr S. Rajaratnam who was one of our founding fathers, said many years ago.  
  
The Government will also do more to support individuals and the community. What we used to do we will continue to do, to provide core public services, housing, education, healthcare. But at the same time we will make three important shifts in our approach. First, we will do more to give every citizen a fair share in the nation’s success, raise the incomes and the wealth of the low-income Singaporeans. For example, through our housing programme; home ownership.  
  
Secondly, strengthen social safety nets. Assure people that whatever happens to you, you can get the essential social services that you need, especially healthcare. Thirdly, do more to keep paths upwards open to all; to keep our society mobile, to bring every child to a good starting point and make sure that whichever family you are born to, whether you are privileged or not privileged, you are never shut out from the system, from opportunities and especially through education. These are three strategic shifts. One, to level up people; two, to share the risks, to make sure that whatever happens in life, you will not be alone and three, to keep our system open, mobile, so that if you have talent you can rise, if you work hard, you can get ahead. We will apply these shifts progressively to all our social policies. And let me tonight talk about housing and healthcare and education specifically, add a little bit more detail, so that you understand what we are trying to do.  
  
SHARING FRUITS OF PROGRESS THROUGH HOUSING  
  
Singapore has succeeded because everyone has shared in the fruits of our progress. Incomes have risen across the board. The values of homes has appreciated and even poor people are not poor by any international standard. If you take the lowest one-fifth of our households by income, the lowest one-fifth, 20 per cent of households, that means about 200,000 households; each household in this group, each poor household has on average $200,000 of net wealth in the HDB flat. What does that mean? The household owns a flat, it may be fully paid, it may be not fully paid. If it is not fully paid, you subtract out the mortgage which is outstanding, what is in his name, is his. On average, $200,000 per household. No other society in the world has done that. We have achieved in Singapore growth with equity and spread the fruits of growth widely in Singapore. But today maintaining equity has become harder, because income distributions have widened. We are not all Ronaldos. But we do have a few who can do almost as well as Ronaldos and others along that spectrum. So, the Government must intervene more to keep ours a fair and a just society.  
  
In fact we have been doing this already in recent years. It is not starting tomorrow; it has started in recent years. Workfare was a big first move. We have got permanent GST vouchers. We have got the Special Employment Credit. Each one of these schemes institutionalised, building blocks of a more active social policy. And we will build on these programmes to give those with less a better deal so long as you too make the effort, give of your best.  
  
Housing has and will continue to be an important way to share the fruits of our progress with all Singaporeans and to level up the poor. The HDB programme is not just about the roof over our heads. It is also a valuable nest egg. But it is not just a valuable nest egg. It is also a home, a home where we sink roots, where we raise families, where we build ties, friendships, emotional ties with our fellow Singaporeans. And you can see this in any community anywhere in Singapore. But I give you as an example, my Teck Ghee residents. Look at this gentleman, Mr Ho Tee Soon. He was a sailor all his life. He came back to Ang Mo Kio, settled down in 1978, and raised his family there. Four children, nine grandchildren, now he even has six great-grandchildren. He has got friends, he has got family, he has got neighbours, he chit-chats with his friends on his void deck daily. And take a guess, how old he is? He is 104! Or take Madam Puranam. She has lived in Teck Ghee more than 25 years. She sells Indian spices at the Block 409 market and her regular customers are her good friends.  
  
So, we want to help Singaporeans own their homes, raise loving families and build strong communities. Therefore, I believe that home ownership is still a fundamental principle for Singapore. We can talk about rentals, we need some. We can talk about other models we may experiment, but the core of it, home ownership. 99-year lease, it is yours.

In the last two years we have moved decisively to do more to help Singaporeans to own their homes. We have built a record number of new flats, cleared the first-timer backlog. We have delinked new flat prices from the resale market and stabilised BTO prices. We have introduced a Special CPF Housing Grant (SHG) targeted at poorer households to buy two-room flats, three-room flats. We have raised the income ceilings and relieved the sandwiched class. And we have allowed singles to buy BTO flats, something which they have asked for, for a very long time. And we introduced the NS Recognition Award – NSRA – for NS men. It is a hongbao paid into the CPF accounts of the NSmen, which NSmen can use to buy a flat, some of it. So all of these things have made flats more affordable and more accessible.  
  
But I know that Singaporeans still worry about property prices. We do surveys and it is one of the items on their minds, (along) with healthcare. They ask themselves - if they are young - can I afford a flat when I get married? If you are older - can my children afford to get married? Because no flat cannot get married, or as they say in Singapore, ‘cannot ROM’. They ask, what if I lose my job before I finish paying off my flat, paying off my housing loan? And so in the OSC conversations, Singaporeans wanted “Home First, Then Asset”. Ideally of course, you want the home, you want the asset, you want it all. One lady, a mother at a dialogue expressed this. She said she hoped her property would appreciate because it is hers and she wanted to keep its value, but then at the same time she wanted her kids to have cheaper housing. And then she laughed because she knew that you cannot really have both. You must decide which it is going to be. So we cannot deliver everything this mother is hoping for but we can maintain the value of HDB flats over the years, provided Singapore remains stable and strong. At the same time, we can keep the flats affordable for future flat buyers. And I will make sure that every Singaporean family who is working can afford an HDB flat. We can do that. What do I mean?  
  
A family today, if you are earning $1,000, you should be able to afford a 2-room flat. If you are earning $2,000, you should be able to afford a 3-room flat. If you are earning $4,000, you should be able to afford a 4-room flat and that is completely possible. When I say afford, I mean use your CPF mostly and have a 25-year loan, not a 30-year loan and then in your later years, your income can be used to beef up your retirement savings. So $1K, 2-room flat; $2K, 3-room flat; $4K, 4-room flat; 25-year loan, mostly from your CPF. It can be done, we are almost there. How do we do this? I do not think we want to do this by bringing down the BTO prices because that after a while will bring down all the resale market and everybody who owns a flat in Singapore will be hurt. But we will keep the BTO prices stable for some time; we will increase the support for the lower and middle-income households. And we already have the mechanisms to do this, to subsidise flat purchases. I talked about the Special CPF Housing Grant just now, SHG. We also have the Additional CPF Housing Grant (AHG) which extends to the middle income families as well, lower-middle-income households too. So together, low-income households and middle-income households get a big discount on 2-room flats and 3-room flats, sometimes more than one-third off the price in discounts. But we will do more.  
  
For families who are only able to afford 2-room flats, I would say the 2-room flats are already quite affordable to them. We are happy they are able to buy the 2-room flats; it is a reasonable cost on them every month. But what we should do is to help them when they are ready to upgrade from a 2-room to a 3-room flat when they improve their lives, and we will give them some Step-Up Housing Grants to help them to upgrade later on. So from 2-room if you need to upgrade later, you get help from the Government. For others buying 3-room and 4-room flats, the lower income, the lower-middle income, first-time buyers, 3-room and 4-room flats, we can also do more. The 3-room flats relatively speaking are less of an issue, it is more affordable. The 4-room flats, it is okay but I think we can give more help to the households who are buying them. So we will extend the SHG, which is now only for 2- and 3-room flats, we will extend that also to 4-room. And we will also broaden it so that instead of only for the low income households, we will also allow it for the middle-income households. So what it means, net-net, is a middle-income household buying a 4-room flat can get a saving of up to $20,000, which is not so small. $20,000 more than what they are getting today which is already not so small. So let me explain how this works. I shall be your housing agent.  
  
HDB has a very beautiful development - Fernvale Riverwalk, a BTO project in Sengkang. It is a marvellous place, waterfront living, 2-room, 3-room, 4-room flats, Sengkang West Avenue, Fernvale Link, Punggol Reservoir just down there. There are going to be four residential blocks, 20- to 22 storey-high with spaces for relaxation and bonding. So there will be children’s playgrounds, if you are young kids; there will be adults and elderly fitness stations, you can practise for your IPPT; resting shelters, a precinct pavilion, open green spaces and if you like nature, not very far away, leisure stroll along the boardwalk next to Punggol Reservoir. Hence it is called Fernvale Riverwalk. Furthermore, supermarkets, eating house, shops and a childcare centre. Everything is there. How much do you think a 3-room flat in this place will cost, cheapest? People say flats are expensive. How much do you think they will cost? Think about it. BTO price, I think I should do a poll. I offer you three choices - $150,000, $200,000, $250,000. Who thinks that the cheapest flat is $250,000? Hands up. Who thinks the cheapest flat is $200,000? Hands up. Wow, quite a lot. Who thinks the cheapest flat is $150,000? I think we must vote again. $250,000 is out, so $150,000 and $200,000, your choice. $150,000, hands up. $200,000?. I think $200,000 wins, but actually $200,000 loses, because the cheapest flat is just $150,000. 3-room flats, posted price. So if you add grants, add subsidies, low income families pay even less. But people will say this is only because it is the cheapest flat. So let me take a typical flat in Fernvale Riverwalk, typical 3-room flat and let me show you some sums. I am still your HDB housing agent, remember, but not getting any commission from (Housing Minister) Khaw Boon Wan.  
  
So a typical Fernvale 3-room flat BTO price, let me go through, show you the arithmetic because afterwards we got a stall outside, you can sign (up for a flat). 3-room BTO flat typical price is a bit more than $150,000 but not much more; it is $170,000. Now, let us assume that you are one of the (households with a monthly income of) $2,000 buying this flat. What grants are you going to get? Existing, just the present arrangements, you will have $45,000 of grants already, various things. But now because we have changed our SHG, you will get an extra $10,000 of grant and furthermore if the husband is an NS man, which I think most Singaporeans will be, from the NS Recognition Award, you will have another $4,000 worth of grant down there. So the nett price to him buying the flat, if you have your calculators, is $111,000. So when you think it is $200,000, I think that may be the impression, but it is not accurate. It is actually a lot more affordable than you think. If this household takes a 25-year mortgage, how much will the monthly repayment be? $427. So the CPF can pay all of that, cash repayment every month, zero. So it is not bad. It is so attractive that some people will now ask how about the 4-room flat. So let me show you the 4-room flat sums.  
  
I take a typical flat again is $285,000. It is not the cheapest, the cheapest is about $250,000 odd, but I use a typical example. Household income for this family? Let us say $4,000. Husband and wife working, not hard to achieve. Existing grants for this household, they will already have $15,000 worth of grant but with a new scheme, with SHG extended, they will get $20,000 more. And I assume this is also an NS man, so $4,000 of NS Recognition Award going in towards the flat, so the net price to him is $246,000, less than a quarter million, also affordable. Now supposing they take a mortgage, 25-year mortgage, monthly repayment of $987, of which the CPF will look after $920 and his cash repayment, is all of $67 or about $2 a day. Not bad. And people say HDB is making money. Something is wrong.  
  
This is how we are making HDB flats more affordable and especially more affordable for the less well-off Singaporeans. Let me summarise my points. We have made significant moves in recent years. Tonight, what I have announced is another significant move but it is not the end of the story. We will monitor closely how well people can afford housing in Singapore and over time as it becomes necessary, we will do more to help the lower and the middle income Singaporeans own their homes. We will always make sure that an HDB flat is always within reach, affordable and available to Singaporeans. Do not worry, go ahead, plan on it, get married, get your flat. If you make the effort, the opportunities are there in Singapore.  
  
STRENGTHENING SOCIAL SAFETY NETS LIKE HEALTHCARE  
  
Besides housing, we will also give Singaporeans more assurance over life’s uncertainties, especially healthcare. Working adults feel the pressure taking care of growing children, also looking after elderly parents. People with chronic illnesses worry, worry about the cost of consultations, the cost of medicines, maybe a few cents a day but day after day, year after year. When you have high blood pressure, the doctor prescribes something to you. He says, please take this, please take this for the rest of your life and you have to take it seriously. Older people worry about the medical bills which they may face and worry about the burden which they may place on their children. So we will improve healthcare financing to give Singaporeans more peace of mind.  
  
First of all, let me talk about outpatient care because that is a significant part of it and then let me say something about inpatient care which is actually a lesser problem but is a big worry to many Singaporeans. But first, outpatient care. One group which is concerned with outpatient care is those with chronic illnesses like Mr Tay Siew Mow, who is 59-years-old, has high blood pressure and regularly visits his GP for check-ups and medication. And as I said, high blood pressure, you have to take the pills for the rest of your life and the consultation and the pills price adds up. So how is he being helped? He is being helped through the CHAS scheme (Community Health Assist Scheme). He has a blue card. Every time he visits his doctor, he gets a subsidy up to $80, it helps pay for the consultation, helps pay for his medications. It is a big saving for him. He has a blue card, his wife has a blue card, his father, his sister, they all have their cards. But he has two teenage children, 15 and 17, and they do not have CHAS cards. Why? Because for CHAS, when we made the scheme, we set a lower limit, you have to be 40 years old before you can join the scheme to get it started. Now that the scheme is well launched, we have 300,000 people on CHAS, the system is working nicely, I think we remove this floor and younger Singaporeans will also be able to join the CHAS scheme, including Mr Tay’s two children. And I think that will diminish his worry about his family’s healthcare costs. So that is one aspect of outpatient treatment.  
  
Another aspect of outpatient treatment is SOCs (Specialist Outpatient Clinics). When you go to the SOCs at SGH (Singapore General Hospital) or Tan Tock Seng, you get a subsidy. But for poor people, it may still add up to an expense. So we will increase the subsidies for the lower- and middle-income patients who are visiting Specialist Outpatient Clinics and we will means-test these additional subsidies so that we know we can target them to the people who need them. I think this is quite a big thing. Many people have expressed their concern to me over the SOC charges. This will make a difference to them.  
  
The third big thing on outpatient treatment, but this is something which will take us some time to do, is Medisave. There are people, many people have asked for Medisave to be used for outpatient treatments. Most recently, Dr Lam Pin Min chaired the committee, the GPC and put up a report. He asked, can we use Medisave for outpatient treatments. I think they are right, we should do this. In principle, this is sound, it is personal responsibility. I save and I use the money when I get sick. If I did not save when I get sick, I must scramble for the cash, it is a problem. We want to move in this direction, we have already taken some steps there. You can use it for chemotherapy, you can use it for major outpatient operations but you go there, you do the operation, you come home. But I think you can extend it further and especially for old people, we can extend it further. We will be studying carefully how to do this. So thank you Pin Min for your suggestion.  
  
So that is outpatient treatment. The other aspect of this inpatient treatment. If we should fall seriously ill, can I afford the hospital bill if I have a very big hospital bill? In reality, there are very few such cases. I wanted to look for a good example for tonight. I scanned all of my MPS cases over the last one year. I had 140 medical cases which in itself is already not a very big number, but none of the 140 medical cases had huge hospital bills. So I asked MOH, please find me a good example. MOH scanned their database. They also found very, very few examples. So in fact, if you are on MediShield, which most people are, you do not need to worry. Can I have a show of hands who is not on MediShield down here? Nobody, so you are alright. You should be alright but I know that even though I can explain this to you and you can understand what I am saying, people still worry. And some people do not have MediShield cover and they could have a problem because MediShield, it reaches 92 per cent of people but some of the older folks may not have it, some of the people who have pre-existing conditions may have fallen out, may not have it. And also there is another third group, the very old people, because MediShield stops at the age of 90. And there are quite a number of Singaporeans who are now more than 90 years old, including Mr Yasmuddin Rasul whom I showed you a picture of just now, he is 92, and of course Mr Ho Tee Soon who is 104. So, what will we do?  
  
I think we revamp, relaunch MediShield, we give it a new name. We call it MediShield Life. Why MediShield Life? Because it will cover you for life. If you do not stop at 90, the Medishield Life will not stop at 90. So do not worry, it will cover old people. Secondly, MediShield Life will be universal. It will cover everybody, every Singaporean, old ones, young ones, those newly-born. Even those who are now outside the MediShield network, we will bring them back in. You may be elderly, you may have dropped out, you may have pre-existing illnesses, we will bring you back in. It may cost you a bit more but it can be done. There will be no more opting out from MediShield. Thirdly, MediShield Life will give you better protection for very large hospital bills. The patients will pay less out-of-pocket or out of their Medisave. I think the burden on the children, on the families will be less. So, three key things on MediShield Life. One, it is for life; two, it is universal for everybody; three, it gives you better cover for very big hospital bills. But because it does more, because the benefits are better, therefore, the MediShield Life’s premiums will have to be higher. It has to be, because it has to break even and I think for most people that will not be a problem. But for a few that could be a problem and for those who cannot afford, the Government will subsidise this MediShield Life premiums for them.  
  
This is a very, very major step. We thought about it long and hard. We have argued it and we have decided we need to do it. But how exactly to design the scheme, I think we need to take some more time. And we need to consult and get views. So, we are going to do a public consultation, seek views before we decide on the details of the scheme and it will take a year, maybe more than that. But I think it is important that we try and get this started right because it is a very important step towards providing people protection and assurance that for medical care, you can be taken care of.  
  
One group which we need to take special care of is our pioneer generation. They are special. They are the ones who worked hard to build today’s Singapore. They made this place. They enabled us today to enjoy these facilities. They earned less than us. They had fewer safety nets when they were working. They brought up this generation and they paved the way for us to live a better life than themselves. That was their goal. They achieved it and I think we should know that and we should be grateful to them. Now mostly they are retired, at least in their late 60s, many older. And we must take special care of this pioneer generation in their golden years. We have recognised them and given them something extra. Every time we have had a bonus exercise, a scheme, Minister for Finance, each time we designed a scheme, we distribute something for the senior citizens, the pioneer generation, something extra. Whether it is home care subsidies, whether it is GST vouchers, whether it is a Resilience Package, we make sure that they are treated different. And I think in these new healthcare arrangements, we will likewise make sure that they are well taken care of. So, we will have a special Pioneer Generation Package to help pay for their premiums for this group under MediShield Life, to make sure that our pioneer generation will be well-covered and would not need to worry about healthcare in their old age. I think we owe it to them.  
  
What I have talked about on healthcare so far is what the Government is doing, but there is always that aspect which the individual must do. We each have to take personal responsibility for ourselves, both financing and also just looking after our health. We are going to spend more on healthcare year by year. The Government subsidies are going up and will go up some more. But some part of it has to be paid by ourselves and each of us must save enough to pay for our share. Therefore, I think you can guess what my next line will be - Medisave rates have to go up. It has to be. We will increase these contribution rates over time as and when our economic conditions permit. How, how much, we will have to discuss carefully. But the direction is quite clear, we need to save more and that will stand us in good stead because one day we will all grow old, if we are lucky. But the best way for us generally to keep healthcare costs down is to stay healthy and especially for older people because for older people exercise is not just keeping fit or keeping well but also making friends, having the social contacts, the networks, the mutual support.  
  
Somebody who can keep an eye on you to say, are you all right? Something is not quite right with you, your walk has changed. You are not quite so steady, you are stuttering. Please see the doctor. And that is an important part of keeping old folks well. And I think the Wellness Programme, the Active Ageing Programme which Boon Heng has been pushing and is still pushing has been making a big difference in this. I met one group recently when I went to Jalan Besar. I went to Geylang West CC and there was a Cheerobics group there. This group of old people. What is Cheerobics? Cheerleading plus aerobics. Cheerleading is something which usually teenage young people do at football games, prancing around and throwing people up in the air. But old folks can do Cheerobics too. Let us see. (Cheerobics video plays.) Older than most of us but I think dancing and prancing around faster and better than most of us do.  
  
KEEPING PATHS UPWARDS WIDE OPEN TO ALL IN EDUCATION  
  
The third major shift which we will make is to do more to keep paths upwards wide open to all. Keeping paths wide open has been a fundamental principle for Singapore for a very long time. It is how we have enhanced our human potential. How we have created hope for every Singaporean and is especially true in education and that is why we have invested in pre-school, adding 20,000 places in the next five years as I said just now in Chinese. That is why we are going to contribute to Edusave accounts of every child between the age of 7 and 16, whether they are madrasah students, home-schoolers, overseas students, which I said in the Malay speech. These are signals that we value every child and that we want to give every person the best possible chance to start off well in life. Education is a big concern for parents and students because it plays a big role in shaping one’s potential and opportunities in Singapore. Parents know that, they want the best for their children. And therefore when it comes to key education milestones, these are high stress moments for the whole family, whether it is P1 admission, whether it is PSLE, the whole family gets involved.  
  
There are two different perspectives on education, on schools in Singapore. One is the MOE perspective - Every School Is A Good School. Whichever school you go to, whichever class or principal you have, you will get a good education. And we give every school the teachers, the resources, the backing. We help many of our schools develop niches of excellence. We make sure that the whole system is of a high standard. Every school is a good school. But parents and students have a different perspective. They accept the MOE argument but they still have strong preferences for certain schools. And even within the same housing estate, two separate schools, few hundred metres apart, parents will go to great lengths to bring their children into School A instead of School B. I see it every year when it comes to school admission time after the PSLE exams, when people come and try very, very hard. Having got a place in a good school, they want a place in another school which in their view will be better for their kid. Sometimes they succeed, sometimes they do not. But the belief is very deep. And nationally that happens too, because secondary schools admit students from across the country and based on their academic results. So, the results of parents looking for what they think are the best schools and consulting websites like kiasuparents.com -- I am past that point, but I have not reached kiasugrandparents.com yet -- but the result of that is certain top secondary schools get a very high concentration of the very good students or at least the students with very good results. So in these top secondary schools, standards are very high, competition to get in is very intense and everybody feels enormous pressure. So you have these two views, one, MOE - Every School is A Good School. Two, parents, I prefer School A to School B. You ask me what is my take; let me tell you my take.  
  
I believe we can make every school a good school and we have done a lot of that to ensure that every school provides a good education for the students. We give them the resources, we give them the good teachers, we emphasise values and we have made a lot of progress towards this goal. I asked MOE for some examples. They gave me two examples, both from Bukit Batok. I think the MP will be pleased. The first one is Bukit View Primary School where children perform drama to develop their confidence and they put on performances. The second one is Hillgrove Secondary School where they do Flight and Aerospace Education and this thing which you see buzzing around (pointing to slide), this is one of the super light kites with propellers which sometimes come put on a show at National Day. So, every school is a good school and I push MOE very hard to give the schools the resources, the good principals, the flexibility, the authority to teach students according to their students’ needs, to make the system work. And it is a philosophy which is not just for schools but even post-secondary levels. You look at this ITE campus – $500 million of investments, $500 million. Passionate lecturers, high quality programmes. Therefore, students are proud of themselves, wanting to be here, confident that beyond this, there are many possibilities in life.  
  
So, we want every school to be good. But I am a realist. I accept that parents and students will always carefully choose which schools to go to. And I think it is good that parents compare and choose schools because it puts pressure on the schools to know that the parents are watching and that it makes a difference how they perform. But it is important that parents compare and contrast and choose on the right basis, not just examination grades but also how well the schools are really educating their children. Because you may have good grades because your children happen to be bright. But you may not be doing anything for them. They may be just educating themselves. You may have children who are not so naturally talented but with good education, you improve their performance, you make a big difference to them. So the quality of the schools, academically, in terms of character education, in terms of civic education, in terms of developing their students’ interest - if the parents are comparing schools like that and choosing schools like that, then I think we have the right incentives and it will work.  
  
What about top schools? I think it is also good that we have top schools nationally, schools which are acknowledged as outstanding, so long as we keep our system open. The system has to be open, meaning there cannot be barriers to entry. Outstanding students must always be able to make it to the top to get into these institutions and you cannot have a closed, self-perpetuating elite - I am here, my children are here, you are not in this magic circle, you cannot come in. Some societies become like that. We must never become like that. We must have many pathways in our system, an open system so students can come in. If they do not fit, they go out. If later on, they develop, they could come in. There are many other points when they can come in depending on their performance and depending on their ability. If you have this, we have a high base, we have peaks and you have a landscape with many peaks of excellence and there is pressure on raising standards across the board. We give good education to all our children. We can uplift the whole education system. If we have a completely flat and featureless system – every school is exactly the same as every other school, no difference – you will have not excellence, but mediocrity. In the old days in China they used to have that. You would be so and so city, School No. 37, and the next one is School No. 38, and what is the difference? Just the number, everything else is the same. Nobody makes the effort. Today in China they have a very complicated landscape. They have experimental schools, they have elite institutions. It is a socialist society, but the schools compete. Our schools we make sure all of them are good but all of them have to keep on competing to be good.  
  
We have an excellent education system. But our society is getting more stratified. Competition is intensifying amongst our students and the focus, unfortunately I think, is too much on examination performance and not enough on learning. It is very hard to fight these forces because parents want the best for their children and they think the examination results are what makes the difference. But I think we need to recalibrate to keep our system open and to focus on things which matter more than exam grades in the long run. But the education system is a very complicated and delicate machinery. You can say what you like or do not like about it; you cannot just push it and expect it to become better. You must find the right spot, fine tune, make the precise adjustment and then watch carefully to see whether it has become better. So, I am proposing to make four small adjustments which I will tell you about tonight - starting at P1 admissions.  
  
P1 admissions is a complicated process. You have got Phase One, Phase Two, 2A, 2B, 2C and so forth. And it gives priority to siblings, to children of alumni, to the school community - for a reason. Because we want each school to develop its traditions, its history, and its identity. We want the school to have a community which cares for it. We want the school to be proud of itself, to have to know where it has come from and to feel that. When I wear the uniform, there is a history behind this. I come from Nanyang - Nanyang and Hwa Chong go back a long way. I come from Catholic High - that means something. And likewise with so many other schools and I think we want to preserve this. But at the same time we do not want our primary schools to be closed institutions and you can only get in if your parents have been there. In the past, even popular primary schools usually would have places available for children who did not have any connection with the school. But over time, the number of places for these unconnected children have shrunk and you can see in this year’s P1 registration exercise, quite a number of schools have had to ballot earlier in the process which means for the later phases there are already no more places left. And if we do nothing, one day these schools may have no places left at all for those who have no connections, which I think will be bad. So we have got to strike a balance. The alumni would prefer us to keep the system. The public? They have different views. OSC discussed this; the participants proposed solutions. One says, give absolute priority to those who are living nearby, which is fine if you happen to be living nearby the school you want to go to, or if you can afford to buy a house nearby the school you want to go to, but it is not such an ideal system if you take it from a system point of view. Somebody else said do away with all these priorities, flatten it out, 100 per cent balloting. Just have racial quotas to make sure every school is mixed. 100 per cent balloting. We will be back to the school number 37, 38 or 99 and I suppose you will wear school uniforms where you put the number on them.  
  
I do not think these extreme solutions will work and anyway, whatever solution you make, parents will find ingenious ways to maximise their chances. For example, one mother moved house four times to give her older children a better chance to get into the primary schools. In Chinese they say meng mu san qian (孟母三迁). This one outdoes that. Meng mu san qian refers to Meng Zhi’s mother who moved home three times because her neighbours were unsuitable, so they finally moved to a place where her neighbours were suitable and Meng Zhi could grow up properly. Here, the neighbours were perfectly suitable, the mother was looking for a place to get into the right school. Four times! Outdoes Meng Zhi’s mother. Some couples split up, two of them holding handphones with instant communication. You go to school A and I go to school B. They update each other in real time - is it balloting, how many, what are the chances, where shall I put my name in? It becomes a military operation.  
  
So I think we need to strike a better balance. From next year, every primary school will set aside 40 places, at least, for children who have no prior connection with the school in Primary One. And we will give every Singaporean child a chance to enter the primary school of his choice. It does not mean we will be able to accommodate everybody, there may be a scramble and you will have to ballot for these 40 places, but at least the school will be open and it will never become completely closed. But at the same time, we are continuing to upgrade the quality of every primary school and MOE has asked me to say this again and I say it with conviction. We are doing this. You can take it on faith from me that I am going to invest in all of the schools and whichever school your child gets into, we are going to try to do our very best for him or her.  
  
The second small thing we are going to do is something about the PSLE, the scoring system. The PSLE is one of our most important examinations or at least, many parents think that the PSLE is one of our most important examinations. Because it is not just a report of the student’s performance in primary school, but parents think that this determines the student’s future. I just had an email from somebody who wrote to me to say, please be very careful when you touch the PSLE, because the problem is not the exam. The problem is that parents think that the exams count for everything in the world. If you go to this stream, you are fixed for life; you go to that stream, you are fixed for life; if you go there, well, you are set for life. So that is the problem. So I replied to him, I said no, I do not agree that that (i.e. the stream determining one’s path for life) is the how our education system works but I shall be very careful. He replied to me again, he says, I do not agree that is how the education works either but that is how parents think and therefore, we have to be cognisant of that and we have to take that into account and I think we must do that. But whatever it is, because of all this, because of the way the parents think, there is a tremendous stress when it comes to the PSLE exam. The whole family takes the examination! I knew that people went on leave for PSLE but I watched a snippet on Mediacorp recently, and this mother said she actually stopped work for the whole year to take the PSLE with her daughter! What do we do? I asked, what did the OSC people say? One group went into this, came back and reported, we discussed this at length, we do not like the existing system at all, we looked at all sorts of alternatives, we could not agree on an alternative which was a better way to post the students to secondary schools. So the recommendation finally - please do not change the PSLE system. But I think we should make some careful changes to the PSLE system.  
  
Just to put this in perspective - the PSLE, everybody thinks it matters, heaven and earth. But I do not know what my PSLE grade is. I think many of you who are my age do not know what your PSLE grade is either because when I took the PSLE nearly 50 years ago, in fact, 50 years ago in 1963 already, the scores were confidential. MOE never told anybody the scores. The students were only told whether they had passed or they had failed and which school they had been posted to. So we were all gathered in the car park in Nanyang waiting anxiously while the teachers went through the list and tallied up who passed, who failed and then came out after a very long wait and told us who passed, who failed. Luckily, I passed!  
  
But today, it is different. Today, everybody knows his T-score. Not just everybody knows his T-score, everybody knows his friends’ T-score and his friends’ sons or daughters’ T-score. When they meet they compare notes, saying “how much did your daughter get? Wah, 230, not bad, can get into this school or not? And what about him, did you hear that one went to 180? Wah, do not know what happened”. It happens, so I do not think it is a good thing. One-point difference in the PSLE scores, 230 versus 231, may make all the difference in your secondary school posting. But at the age of 12, one examination, four papers and you want to measure the child to so many decimal points and say well, this one got one point better than that child? It is a distinction which is meaningless and too fine to make. Who is going to grow up abler, more committed, more capable, a better contributor to society? At the age of 12, you can guess, you cannot tell. Certainly, you cannot tell based on one point difference and I do not think we should decide secondary school postings based on such fine distinctions.  
  
So we will score PSLE differently. We will use wider bands for grades, ‘O’ levels are like that, ‘A’ levels are like that. ‘O’ levels, you have A1 all the way down to 9 which is a fail. ‘A’ levels, I am not sure how exactly, but you also have A, B, C, D, E but I think if we have a system of grades like that rather than precise scores, it will reduce the excessive competition to chase that last point. If you get an A\* that is an A\*, it does not matter where it is 91 A\* or 99 A\*. It is an A\* and that is good enough. You do not have to chase that last point. Then you will be able to sit back and you have space to educate and develop the students more holistically. But what I am talking about is what we are intending to do. It will take us some time, several years. So if you are taking the PSLE in a few months’ time or if your son or your grandson is taking PSLE in a few months’ time, please do not panic. We are not going to do anything this year. It is going to take several years to do.  
  
Next, let me say something about having more flexibility in secondary schools. We want secondary schools to have the flexibility to tailor the education of their students to their abilities and the development of their students. Some develop faster than others, some have interest in certain subjects more than others, some are good at all subjects, a few are weak at many subjects. We have to have a system which can fit each of these cases and we will adapt it to that person. Already we have some flexibility between points, between PSLE to ‘N’ levels, or ‘O’ levels to ‘A’ levels. You can cross over; you are not fixed in one stream or one course. And we have students who have made this and transferred. For example, I have two young people here who have made this. I have Lim Chi Siang, who is here with us this evening. He went from EM3; he went to Normal (Academic) stream in Si Ling Secondary School. He went on to Yishun JC and after JC, he has made it to NUS to study Physics. He is now doing NS but after NS, NUS is there, the place is available to him. So the system has given him the chance, the time to develop, make sure he learns properly, next stage take a bit longer, five years rather than four in ‘N’ levels, then JC he made good, now he is going to university. Or another example, Ahmad Muhammad bin Rosman, who had a difficult family background. He went from EM3 to Normal (Tech). Many people do not prefer Normal (Tech). From Normal (Tech) he went to ITE. ITE did a good job with him. He did well, he skipped the Higher NITEC course, he has entered Singapore Poly and he is doing a Diploma in Visual Effects and Motion Graphics. So one day, he will help me make graphics for my presentation.  
  
So we want more people to be like them and we will create more flexible choices in secondary schools. And we will do this progressively. What we will do is allow Secondary One students, whichever stream you are in, you can take a subject at a higher level if you have done well in that subject in PSLE. So you may be in Normal (Academic) but if you have done well in Maths, you can do that subject at ‘O’ levels when you go to secondary school. You may be in Normal (Tech), you are good in languages, you can take languages at ‘N’ level or at ‘O’ level when you are in secondary school. You will have that flexibility so that you can learn each subject at a pace appropriate to you, you can build on your strengths and build up your confidence, your pride and then you can go further and fulfil your potential. I think this is a step, one step in the direction to making our system more open, more flexible. Go ahead (and clap). Not to cheer me, cheer the students who will now have the chances to move ahead. They deserve it.  
  
Finally, let me say something about the top schools. This is a somewhat awkward subject. We want every school to be a good school. Why are there top schools in Singapore? I think there are top schools in Singapore; it is good that we have these outstanding schools in our system with very high standards. It is a tribute to the teachers, the students and also to our education system. Many of these schools have long history and traditions, some even longer than Singapore’s. Over time, they have produced many leaders – leaders in the private sector, leaders in the social services and leaders in the government. They have produced not just successful people but pillars of our society. Not the only way to do so but a significant number of people have done so. Therefore, it is all the more critical that these schools should develop their students holistically and admit their students holistically and imbue the right ethos and values to them, expose them to diverse backgrounds, to build empathy and understanding and make sure the students stay rooted in the society which has nurtured them and invested hopes in them. Most importantly, we need to keep the admissions to the top schools open, so they do not also become closed circles. Not closed because you have to have certain parents, but closed because you have to have perfect grades. So I think that you should take not just students with outstanding academic results, but also very good students with other special qualities - qualities of character, of resilience, of drive, leadership - people who can show that they can make a difference in the world. And the top schools also must make sure that students from low-income backgrounds are not put off from applying to enter for fear that they cannot afford it, or that they cannot fit in because sometimes you can afford it, but if you do not feel comfortable because you feel like your friends are talking about things which you cannot afford, you feel out of place and I think that is bad and should not happen. So we must do something more to keep this spirit of openness and to enhance this diversity of opportunity for admission into the top schools.  
  
What will we do? Two major things. One, the top schools, in fact all schools, have a DSA programme, a Direct School Admissions programme. We will broaden the DSA categories. Now if you are outstanding in arts, in sports, even in academics, you can come in on the DSA. But we must broaden this to also take into account character, resilience, drive, leadership. We have got to get the top schools to actively seek out such students, look for them. Some of them have scholarships for these schemes. We have got to get and invite primary schools to suggest possible students to the schools or suggest to the students that they take an interest (in their secondary school postings), explore it. You do not have to go there, it is not the only way up, but if you are thinking of going there, you do not have to worry. The opportunity is there, the door is open. So one, I think we should make a big effort in this to try and bring in people with the attributes we are looking for. But secondly, I think we can do more to enhance financial assistance and bursary schemes for these schools. We have the schemes; we should enhance them substantially so that anybody who qualifies and wants to attend these top secondary schools can confidently do so. And that way we can make sure that our top schools stay open, produce graduates who become assets to our society and are connected to Singapore and to our whole community which they belong to. I think that is the right way forward for us to go.  
  
So these changes to our education system will help to keep our pathways upwards open to all and make meritocracy work better for Singapore. Meritocracy has to remain the most fundamental organising principle in our society. We have to recognise people for their contributions and their effort, not for their backgrounds, not for their status or wealth or connections. This cannot be a society which is based on guan xi (connections). It must be based on your ability, your contributions, what are you giving back to the society. So at the same time, if you succeed under our system, then you must feel the duty to contribute back because you did not do it alone. Therefore, if that works, we invest in you, you give back, then everyone will benefit from the system and will see it as fair and good. ESM Goh recently went down to RI for an alumni dinner and he described this as building a “compassionate meritocracy” and I think he was exactly on the point. One good example of this in action is Dr Yeo Sze Ling. She is here with us this evening. I met her and I thought I should tell you about her. Dr Yeo Sze Ling became blind at the age of four. She studied at the Singapore School for the Visually Handicapped. She did not go to a brand name school. She went to Bedok South Secondary School, Serangoon JC. She had an interest in Mathematics, she was good at it, she read Mathematics in NUS and she graduated with three degrees, including a PhD in Math. I stare at a page of Math with the formulas; I do not understand what is going on sometimes. But to be able to imagine it, visualise it, manipulate it, express it, that is amazing. She topped the Faculty of Science in her year, now she is a research scientist at A\*STAR and an Adjunct Assistant Professor at NTU. (Pointing to slide) And here you see her, she is operating a Braille typewriter with headphones and so the headphones read back presumably the mathematical formula which she is typing in. But she is not just a successful professional, she is volunteering at the Society for the Physically Disabled, helping others to overcome their disabilities, which is why she richly deserved to win the Singapore Youth Award last year where I met her. Well done, Sze Ling! Sze Ling proves that you can do well if you work hard. It does not matter what your circumstances are and that is what we have to try to do to contribute back to the society and keep the system fair for all.  
  
BUILDING STRONG COMMUNITIES  
  
I have described how the Government will do more in this new balance but for this new balance to work, we all have a part to play. The Government can provide a flat but it is up to us to make a home. The Government can make healthcare more affordable but it is up to us to take care of ourselves and one another. The Government can make our education system more open but it is up to us to seize the opportunities and realise our potential. The community will also have to do more to complement the individual efforts and the Government’s programmes. And the community is alive and well in Singapore. We saw it during the recent haze. We had young people like Sylvester Yeo who donated his own money to provide N95 masks for elderly cleaners and hawkers. We had taxi drivers who bought and distributed masks to one another so that taxis could continue to operate. We had grassroots efforts to deal with day-to-day issues. I came across one example recently in Siglap, Loyang Villas which is a private estate where Dr Maliki, who is the MP, worked with them to solve a problem. They had a problem of indiscriminate parking, which I think many private estates have. So they had a dialogue, Dr Maliki encouraged them to come together and work out a solution among themselves. So the residents set up a taskforce to study the problem and discuss what could be done. The taskforce produced a “Code of Conduct for Responsible Parking”. (Reading Code of Conduct) Code of conduct, item number two - we should park at least one vehicle within our porch or driveway. Makes sense, right? Item number three - we should not place objects to “chope” (reserve) parking spaces, so hence you see the dustbins down there, I presume now removed. They saved on parking aunties and maybe the other estates can learn something from them.  
  
But I am particularly cheered that many young people are doing good work. For example, I showed you some pictures earlier of my residents - Mr and Mrs Lim, Mr Ho Tee Soon who is 104, Mdm Puranam who is selling spices at my market. How did I get those pictures? They were a PAYM project in my CC. The PAYM mobilised themselves, they went around, interviewed residents, learnt their stories, took pictures of them, put up an exhibition in Teck Ghee CC. (Ms Khoo) Hanzhi was the photographer. I saw the exhibition and decided this is what I am going to use for my National Day Rally. Thank you very much, Hanzhi!  
  
Other students are more ambitious. They go overseas to do good work. Singapore Poly did a Project NEPAL (Never Ending Passion and Love). They went to Nepal and they did a project building classrooms for the children there. You can see it is hot and dusty but it is a good experience for them. So we want to encourage more young people to build a better world and a better Singapore. You are our future. You are idealistic, full of energy and passion. Go forth, change Singapore, change the world, for the better.  
  
To help you do that, we will set up a youth volunteer corps. We will expand opportunities for young people to do projects in our community, especially students in our post-secondary institutions - the ITEs, the polys and universities. The youth corps will provide resources to support you, funding to start your own projects, allowances to take say a term off for full-time community service. Grants, so after graduation you can continue serving the community. It will offer mentors to guide you, advise you, make the most of your efforts, match you with critical community needs, help you to make a difference to our nation.  
  
These new policies - housing, healthcare and education – are very significant shifts. They are part of “Our New Way Forward”. But our ultimate destination and core purpose have not changed. We want to ensure that every Singaporean shares in the nation’s progress. We want to support the less fortunate and the vulnerable. We want to create opportunities for Singaporeans to do your best and ultimately, to build a stronger Singapore. It is going to take some time to work out the policies and programmes and to realise this new balance between the state, the community and the individual. It is going to take still more time to show results and we will assess how our strategies, our policies and programmes turn out and then as we gain experience and as our needs evolve, we will take further steps carefully forward. We are not taking these steps because our system is bad. On the contrary, we are starting from a strong position. Whether it is housing, whether it is healthcare, whether it is education, whatever our qualms, whatever our grumbles, whatever we may gripe about sometime, it is not perfect but by international standards they are all excellent and that is a fact.  
  
Even transport, which worries many Singaporeans, we are making progress with new buses, with new train lines, with new free early morning MRT rides into the city. Even our baseline by international comparisons, honestly speaking, is not bad. And I am glad that some people appreciate our transport system like this couple, Mr and Mrs Wesley Lim. They did not just pose in front of the railway carriage. Instead of a wedding limo, the MRT got them to the church on time. And as Wesley said, “The ride of our lives. Who needs an S-Class when you can have an $8 billion Circle Line?” So I encourage more of you to do that.  
  
A WORD OF CAUTION  
  
Our new strategic direction will take us down a different road from the one that has brought us here so far. There is no turning back. I believe this is the right thing to do given the changes in Singapore, given the major shifts in the world. We proceed but let me sound a word of caution: All this is not without risk.  
  
Other countries have tried to do similar things in the past with the best intentions but ended up with unwanted outcomes. America has the highest healthcare spending in the world. Their outcomes are worse than many developed countries, including Singapore. Finland has comprehensive protections for workers, yet 20 per cent of its youth is unemployed despite a good economy and a good education system. It could happen to us. Therefore, we have to tread carefully, beware the pitfalls. We will do more for the low income but we cannot undermine self-reliance. We will increase healthcare spending but we cannot encourage over consumption and unnecessary treatments. We will make the education system broader and more open but we cannot compromise academic standards and rigour.  
  
And finally of course, all good things have to be paid for. For now we can afford these measures from existing revenues. In the longer term, their costs will rise, especially healthcare costs. MediShield Life and additional subsidies. Over time the amount will grow year-by-year. Today, people accuse us “why are we spending so little on healthcare?” One day we will be lamenting “why are we spending so much, how do we save?”. The risks are there. We have to realise this, we have to be prepared to pay for this, whether by raising taxes, whether by cutting back on other spending, if we want to keep the social safety nets and the programmes. We cannot saddle our children’s generation with debt so as to pay for our consumption. And I think Singaporeans know this. When I posted onto my Facebook page what I was going to talk about at the National Day Rally, one reader – Julie Chin - commented on my Wall and she spoke absolute sense. She said: “I just hope any changes are not populist ones that aim to appease the angry, entitled populace and put the burden on our kids and grandkids in the future. I would rather I have it tougher now just so my kids will not have a heavier burden to carry later.” And I think she spoke absolute sense. We are here now because our parents had it tougher and built this for us. For us to say let us be comfortable and let our kids take care of themselves, I think that is irresponsible.  
  
I BELIEVE IN SINGAPORE  
  
We must pass on to our children a better Singapore than the one we inherited. We owe it to them to do so. Just as we owe what we have today to our founding generation. Dr Goh Keng Swee, another of our founding fathers once said, “We must not think of where we are as the pinnacle of achievement, but as a base from which to scale new heights.” And I am glad that our young people are up to this challenge. On National Day last week, I opened the newspaper or rather I looked at it on my iPad, and I was greatly cheered to read a Forum letter from a young lady, 15-year-old student, Ms Cheang Ko Lyn. And she said “Singapore is not perfect and there may be flaws. But if we do not fight to protect and build it, no one else will. It is precisely because Singapore is not perfect that my generation must remain here, working to further improve it. We are all still learning, so have a little faith in our country.” And she quoted Mr Lee Kuan Yew what he said back in 1967: “There is tranquillity, poise and confidence in Singapore. And it is a confidence born out of the knowledge that there were very few problems which we cannot overcome.” And then she ended by saying, “Let us not be the generation which forgets that.” I think it made my day and if our young people feel this way then I think it is our responsibility and my responsibility to make sure that in fact they are able to fulfil their dreams. As the OSC participants said, to build a Singapore with Opportunities, with Purpose, with Assurance, with Community Spirit and Trust. A home where we celebrate many talents like Anthony Chen, whose “Ilo Ilo” film won the Cannes Camera d’Or for Best First Film. Or the LionsXII, who won the Malaysian Super League after 19 long years. Above all, a society where the human spirit flourishes.  
  
To realise these dreams, we need to do the tangible things too - to build our city, to improve our living environment, to prosper our economy. And we are doing so all over Singapore. Punggol Waterway, a beautiful river for residents in Punggol and all over Singapore - not far from Fernvale Riverwalk. Jurong Lake District, an integrated town with homes, offices and leisure by the lake. The Sports Hub opening next April, a beautiful new stadium to watch sports. Also many facilities to play sports, whether as a professional athlete or weekend warrior. And maybe one day I can hold my NDR there too!  
  
These are things already happening but beyond that, we have to plan and dream and build for the very long term. Take for example, Changi Airport. What is Changi Airport? To travellers - an icon of Singapore. To Singaporeans - a welcome landmark telling us that we have arrived home. To me it is a part of the Singapore identity - a symbol of renewal and change. I was one of the first passengers to use Changi Airport in 1981. In fact I took off on a test flight before the airport opened – I was a guinea pig to help test the airport systems. MINDEF chartered a flight to some secret place for training and we took off in the middle of the night, went through immigration, customs, searched and they picked up my knife in my hand luggage. Fortunately, I kept my knife. But they (the customs officers) were on duty, it worked. We arrived home a few weeks later at Changi Airport. Paya Lebar had moved to Changi. Changi was in full business. We found Changi a vast improvement compared to the old Paya Lebar Airport. The control tower was especially beautiful.  
  
But Changi Airport is more than an emotional symbol. It is how the world comes to Singapore and how Singaporeans connect with the world. It is why we thrive as an international hub for business, for trade, for tourism. The airport and all the things which are connected with the airport, all the related services, they provide a lot of jobs in Singapore. I would not ask you to guess how many. But it is 163,000 jobs in Singapore, 6 per cent of the GDP and it is all levels of society. When air travel goes down during SARS, during a recession, taxi drivers feel it immediately. Especially the taxi drivers living in Tampines and Pasir Ris nearby, business is down, the queue at the airport of taxis becomes longer. But the airport is also the reason for our vibrant aerospace industry and the popularity of our aerospace courses in schools. For example, here in ITE College Central, we have an Aerospace Engineering course. In fact there is a Boeing 737 outside. A real aeroplane here to train our students, avionics, airframe, mechanics, engines. I posted this picture (referring to slide) on Facebook. Somebody asked, is that (Boeing 737) real or is that photoshopped? I said it is real. It is here because we are the hub, because we have Changi Airport. And we have Changi Airport today because in the 1970s, forty years ago, Mr Lee Kuan Yew had the vision to imagine the old RAF Changi Airbase becoming an international airport to replace Paya Lebar and he pushed for it against the advice of experts who recommended expanding Paya Lebar, building a second runway in Paya Lebar. Can you imagine? One runway in Paya Lebar, already aeroplanes coming in and going out over so many houses. (What more) two runways in Paya Lebar? But Mr Lee said no, study, study, study again. Got Howe Yoon Choon to lead it who pushed it and made it happened. And I think we owe it to them and we are grateful to them.  
  
So we inherited this but we have also progressively expanded and upgraded Changi over the years. Now three terminals, handling 51 million passengers last year. Can still grow some, but approaching its limits and the business is growing. Passenger traffic is up. All over Asia, middle-classes are travelling, air travel is booming. People are going on holiday, doing business. Singaporeans are travelling all over the world. National Day weekend, how many of you were not in Singapore? I was recently on holiday in Japan, went to Mt Fuji. I met more Singaporeans on Mt Fuji than Japanese. Other airports in Southeast Asia are expanding to take advantage of these opportunities. KLIA, they are planning to service 100 million passengers per year. Bangkok Suvarnabhumi (Airport) also aiming for 100 million passengers a year and both of them are geographically better-placed than Singapore to be the hub in Southeast Asia. Because from Europe to Southeast Asia to the Far East whether it is Hongkong or Japan or China, KL is nearer, Bangkok is nearer still. But we are the hub. Why? Because they are not Changi Airport! That makes a difference.  
  
Now the question is: Do we want to stay this vibrant hub of Southeast Asia or do we want to let somebody take over our position, our business and our jobs? That is our choice. Do we want to let somebody else eat our cheese? And I think we must be part of this growth and we have to plan ahead and continually build up Changi. And we have plans to do so. (Talks through video) Today, in Changi we already have T1, T2 and T3. They are there but we will keep on upgrading them. We are building a new terminal. There was a budget terminal. They said they are rebuilding a budget terminal, next thing I knew it became a T4. I told them it does not look like a budget (terminal) anymore. But the business is there. It will be good and we have one more trick outside T1, we will build something special. There is a carpark there, open air car park there, since the beginning. It should not still be there. We are going to replace with what we have codenamed “Project Jewel”. “Project Jewel” looks like this. We will expand T1, so T1 will be connected with it as will the others. But it will have shops, restaurants and a beautiful indoor garden. So we have Gardens by the Bay, this one is Gardens at the Airport. Not just for visitors but for Singaporeans too – families on Sunday outings, students maybe studying for exams, newly-weds taking bridal photos.  
  
For the longer term, we are already planning T5. T5 sounds like a terminal but actually it is a whole airport by itself, as big as today’s Changi Airport but connected together so it all operates as one. Two runways, third runway, new T5, doubling the capacity. Starting work now, target date, mid-2020s –12, 15 years time. And this is how we can stay the hub in Southeast Asia and create many more opportunities for Singaporeans. But this is just one phase. Beyond this we have further bold plans because we are going to build a new RSAF airbase and a new runway at Changi - Changi East Airbase. And why are we doing that because if we do that, we can move Paya Lebar Airbase to Changi East and free up Paya Lebar Airbase. You look at this area, it is 800 hectares. It is bigger than Ang Mo Kio, it is bigger than Bishan. But it moves out, we will build new homes, new offices, new factories, new parks, new living environments, new communities. But in fact, it is not just these 800 ha. Because if you move the airbase, you remove the height restrictions on a big area around the airbase which are now constrained because you have to take off, you have to land, you have to provide safety and that frees us to develop new exciting plans for the big chunk of eastern Singapore, going all the way down to Marina and Marina South. So you are talking about 2030 and beyond, and it would not fully happen for maybe 20, 30 years after that because houses are built, houses do not need to be pulled down overnight. But the potential is there. We can dream.  
  
Besides Paya Lebar, we also have plans for our port in Tanjong Pagar. Tanjong Pagar, with Brani, with Keppel, with Pasir Panjang, is one of the busiest ports in the world. Business is good. The port has been very successful. It is growing, it is reaching its limits. So we are building a new port in Tuas, bigger, more efficient, almost double the present capacity. And then we can stay the hub port and make sure the business stays here. And when this is done, we can move from Tanjong Pagar to Tuas. Starting 2027 when the ports’ leases expire and when they move to Tuas, you will free up the prime land in Tanjong Pagar. And there we can build a Southern Waterfront City. This is a satellite picture, so you can see it all on one screen. But it is a huge area. It 1,000 ha, or 2.5 times the size of Marina Bay, all the way from Shenton Way to Pasir Panjang, from the east all the way to the west.  
  
These are very ambitious, long-term plans. It is an example of how we need to think and plan for our future. And it reflects our fundamental mindset and spirit – to be confident, to look ahead, to aim high. If we can carry off these plans, we do not have to worry about running out of space or possibilities for Singapore. We are not at the limit, the sky is the limit! We are creating possibilities for the future. We are opening up opportunities for our children, for their children to continue to build, to upgrade, to reinvent the city for many more years to come.  
  
Very few countries or cities anywhere in the world can think or plan over such a long term. But Singapore has been able to do it. This is how we got here and this is what we must do to be here tomorrow, next year and for many years to come. But in a deeper sense, these are not plans. These are acts of faith in Singapore and in ourselves. Faith that a generation from now Singapore will still be here, and will still be worth investing in, for the sake of our grandchildren and their grandchildren. Faith that we can thrive in the world, whatever the challenges, and hold our own against the competition, bigger, stronger, but we are there. Faith that we can get our politics right, that we can throw up honest, capable, trusted people to lead our country well, to make our system work for Singaporeans. Faith that we can stay together as one united people, maintain a steady course year after year and make our dreams come true. Nowhere was this faith more vividly expressed than in our National Day Parade. When we sing Majulah Singapura together as the flag is flown past on a helicopter. When we “pledge ourselves as one united people… to achieve happiness, prosperity and progress for our nation”. This year’s Parade showed what Singapore can do. In the stories of our fellow Singaporeans, especially those who have overcome adversity, like our wheelchair basketballers. In the faces of the participants, radiant and happy, thrilled to be part of this shared story. In the response of the crowds, crowds at the Floating Platform, crowds around Marina Bay, crowds before TV screens and monitors all over Singapore in fact around the world. Watching them, feeling them, made me and my colleagues more determined to do the best for Singaporeans. They bolstered our conviction that it is worth doing and we can do it.  
  
We may have made major shifts in our policies, but our core purpose has not changed. To create opportunities for Singaporeans, to fulfil their potential, do their best, to invest in every Singaporean and develop their innate talent, to keep Singapore a place where the human spirit thrives. We are not done building Singapore, we never will. Work with each other, work with us. Together, let us forge our new way forward. Together, let us build a better Singapore for all of us.  
  
Good night.