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PARLIAMENTARY DEBATES

SINGAPORE

OFFICIAL REPORT

FOURTEENTH PARLIAMENT

FIRST SESSION

Tuesday, 7 February 2023

The House met at 1:30 pm

VOLUME 95

NO 82

ATTENDANCE

PRESENT:

Mr SPEAKER (Mr Tan Chuan-Jin (Marine Parade)).

Mr Abdul Samad (Nominated Member).

Ms Janet Ang (Nominated Member).

Mr Ang Wei Neng (West Coast).

Mr Baey Yam Keng (Tampines), Senior Parliamentary Secretary to the Minister for Sustainability and the Environment and Minister for Transport.

Mr Chan Chun Sing (Tanjong Pagar), Minister for Education.

Miss Cheryl Chan Wei Ling (East Coast).

Mr Mark Chay (Nominated Member).

Mr Chee Hong Tat (Bishan-Toa Payoh), Senior Minister of State for Finance and Transport.

Mr Cheng Hsing Yao (Nominated Member).

Miss Cheng Li Hui (Tampines).

Mr Edward Chia Bing Hui (Holland-Bukit Timah).

Mr Chong Kee Hiong (Bishan-Toa Payoh).

Mr Desmond Choo (Tampines).

Mr Eric Chua (Tanjong Pagar), Senior Parliamentary Secretary to the Minister for Culture, Community and Youth and Minister for Social and Family Development.

Mr Chua Kheng Wee Louis (Sengkang).

Mr Darryl David (Ang Mo Kio).

Mr Christopher de Souza (Holland-Bukit Timah), Deputy Speaker.

Ms Foo Mee Har (West Coast).

Ms Grace Fu Hai Yien (Yuhua), Minister for Sustainability and the Environment.

Mr Gan Kim Yong (Chua Chu Kang), Minister for Trade and Industry.

Ms Gan Siow Huang (Marymount), Minister of State for Education and Manpower.

Mr Gan Thiam Poh (Ang Mo Kio).

Mr Gerald Giam Yean Song (Aljunied).

Mr Derrick Goh (Nee Soon).

Ms He Ting Ru (Sengkang).

Mr Heng Chee How (Jalan Besar), Senior Minister of State for Defence.

Mr Heng Swee Keat (East Coast), Deputy Prime Minister and Coordinating Minister for Economic Policies.

Prof Hoon Hian Teck (Nominated Member).

Mr Shawn Huang Wei Zhong (Jurong).

Ms Indranee Rajah (Tanjong Pagar), Minister, Prime Minister's Office and Second Minister for Finance and National Development and Leader of the House.

Dr Janil Puthucheary (Pasir Ris-Punggol), Senior Minister of State for Communications and Information and Health and Government Whip.

Dr Amy Khor Lean Suan (Hong Kah North), Senior Minister of State for Sustainability and the Environment and Transport.

Dr Koh Poh Koon (Tampines), Senior Minister of State for Manpower and Sustainability and the Environment.

Mr Kwek Hian Chuan Henry (Kebun Baru).

Mr Desmond Lee (West Coast), Minister for National Development, Minister-in-charge of Social Services Integration.

Mr Lee Hsien Loong (Ang Mo Kio), Prime Minister.

Mr Leong Mun Wai (Non-Constituency Member).

Mr Liang Eng Hwa (Bukit Panjang).

Mr Lim Biow Chuan (Mountbatten).

Assoc Prof Jamus Jerome Lim (Sengkang).

Ms Sylvia Lim (Aljunied).

Dr Lim Wee Kiak (Sembawang).

Ms Low Yen Ling (Chua Chu Kang), Minister of State for Culture, Community and Youth and Trade and Industry.

Ms Mariam Jaafar (Sembawang).

Mr Masagos Zulkifli B M M (Tampines), Minister for Social and Family Development, Second Minister for Health and Minister-in-charge of Muslim Affairs.

Dr Mohamad Maliki Bin Osman (East Coast), Minister, Prime Minister's Office and Second Minister for Education and Foreign Affairs.

Mr Mohd Fahmi Aliman (Marine Parade).

Mr Muhamad Faisal Bin Abdul Manap (Aljunied).

Assoc Prof Dr Muhammad Faishal Ibrahim (Nee Soon), Minister of State for Home Affairs and National Development.

Mr Murali Pillai (Bukit Batok).

Ms Nadia Ahmad Samdin (Ang Mo Kio).

Dr Ng Eng Hen (Bishan-Toa Payoh), Minister for Defence.

Mr Louis Ng Kok Kwang (Nee Soon).

Ms Ng Ling Ling (Ang Mo Kio).

Miss Rachel Ong (West Coast).

Mr Ong Ye Kung (Sembawang), Minister for Health.

Ms Joan Pereira (Tanjong Pagar).

Mr Leon Perera (Aljunied).

Ms Denise Phua Lay Peng (Jalan Besar).

Ms Hazel Poa (Non-Constituency Member).

Ms Poh Li San (Sembawang).

Mr Pritam Singh (Aljunied), Leader of the Opposition.

Ms Rahayu Mahzam (Jurong), Senior Parliamentary Secretary to the Minister for Health and Minister for Law.

Mr Saktiandi Supaat (Bishan-Toa Payoh).

Mr Seah Kian Peng (Marine Parade).

Dr Shahira Abdullah (Nominated Member).

Mr K Shanmugam (Nee Soon), Minister for Home Affairs and Law.

Mr Sharael Taha (Pasir Ris-Punggol).

Ms Sim Ann (Holland-Bukit Timah), Senior Minister of State for Foreign Affairs and National Development and Deputy Government Whip.

Mr Sitoh Yih Pin (Potong Pasir).

Ms Hany Soh (Marsiling-Yew Tee).

Ms Sun Xueling (Punggol West), Minister of State for Home Affairs and Social and Family Development.

Mr Alvin Tan (Tanjong Pagar), Minister of State for Culture, Community and Youth and Trade and Industry.

Ms Carrie Tan (Nee Soon).

Mr Desmond Tan (Pasir Ris-Punggol), Minister of State, Prime Minister's Office.

Mr Tan Kiat How (East Coast), Senior Minister of State for Communications and Information and National Development.

Mr Dennis Tan Lip Fong (Hougang).

Dr Tan See Leng (Marine Parade), Minister for Manpower and Second Minister for Trade and Industry.

Ms Jessica Tan Soon Neo (East Coast), Deputy Speaker.

Dr Tan Wu Meng (Jurong).

Mr Patrick Tay Teck Guan (Pioneer).

Mr Teo Chee Hean (Pasir Ris-Punggol), Senior Minister and Coordinating Minister for National Security.

Mrs Josephine Teo (Jalan Besar), Minister for Communications and Information and Second Minister for Home Affairs.

Mr Raj Joshua Thomas (Nominated Member).

Ms Tin Pei Ling (MacPherson).

Mr Vikram Nair (Sembawang).

Dr Vivian Balakrishnan (Holland-Bukit Timah), Minister for Foreign Affairs.

Dr Wan Rizal (Jalan Besar).

Mr Don Wee (Chua Chu Kang).

Mr Lawrence Wong (Marsiling-Yew Tee), Deputy Prime Minister and Minister for Finance.

Mr Xie Yao Quan (Jurong).
Mr Alex Yam (Marsiling-Yew Tee).
Ms Yeo Wan Ling (Pasir Ris-Punggol).
Mr Yip Hon Weng (Yio Chu Kang).
Mr Melvin Yong Yik Chye (Radin Mas).
Mr Zaqy Mohamad (Marsiling-Yew Tee), Senior Minister of State for Defence and Manpower and Deputy Leader of the House.
Mr Zhulkarnain Abdul Rahim (Chua Chu Kang).

ABSENT:

Mr S Iswaran (West Coast), Minister for Transport and Minister-in-charge of Trade Relations.
Prof Koh Lian Pin (Nominated Member).
Dr Tan Yia Swam (Nominated Member).
Mr Tharman Shanmugaratnam (Jurong), Senior Minister and Coordinating Minister for Social Policies.
Mr Edwin Tong Chun Fai (Marine Parade), Minister for Culture, Community and Youth and Second Minister for Law.

PERMISSION TO MEMBERS TO BE ABSENT

Under the provisions of clause 2(d) of Article 46 of the Constitution of the Republic of Singapore, the following Members have been granted permission by the Speaker to be absent from sittings of Parliament (or any Committee of Parliament to which they have been appointed) for the periods stated:

Name	From	To
	(2023)	(2023)
Mr Tharman Shanmugaratnam	04 Feb	11 Feb
Mr Edwin Tong Chun Fai	05 Feb	12 Feb
Mr S Iswaran	06 Feb	09 Feb
Dr Tan Yia Swam	06 Feb	07 Feb

[Mr Speaker in the Chair]

ORAL ANSWERS TO QUESTIONS

COMMEMORATION OF 100TH ANNIVERSARY OF THE LATE MR LEE KUAN YEW'S BIRTH

1 **Mr Sitoh Yih Pin** asked the Minister for Culture, Community and Youth as this year marks the 100th anniversary of Mr Lee Kuan Yew’s birth, whether there are plans to observe the anniversary, and to reflect on his contributions and the values he had stood for.

The Minister for Manpower and Second Minister for Trade and Industry (Dr Tan See Leng) (for Minister for Culture, Community and Youth): Mr Speaker, as our founding Prime Minister, Mr Lee Kuan Yew holds a special place in Singapore’s history.

The date, 16 September this year will be the 100th anniversary of Mr Lee’s birth. Many groups from the community – business leaders, the grassroots, academia, media, just to name a few – have come up with ideas to pay tribute to Mr Lee this year. They felt it was important to remember Mr Lee’s contributions to Singapore and the ideals that he represented. They especially wanted to raise awareness of Mr Lee’s contributions amongst Singaporean youths, many of whom were very young or not yet born when Mr Lee stepped down from the Cabinet.

Some ideas that have been suggested include conferences to examine Mr Lee’s legacies, publications drawing inspiration from Mr Lee’s values and life work, and activities to engage a new generation of Singaporeans on Mr Lee’s role in Singapore’s history. Some business leaders have also proposed setting up a fund for private donations that will go towards supporting educational causes. Education was a cause dear to Mr Lee’s heart and they felt the fund would be a fitting tribute to him.

The Government is working with these parties to coordinate these efforts. We welcome these ground up initiatives and the spirit in which they have been conceived.

On the Government’s part, some agencies have planned initiatives for this year, in which Mr Lee will feature. For example, the National Heritage Board has an ongoing travelling exhibition for the Founders’ Memorial, as part of a public call for artefacts and stories from our nation-building years. Later this year, they will have a more extensive exhibition at the National Museum on key historical milestones our founding leaders rallied our people through. This year also marks the 60th year of Singapore’s greening journey since Mr Lee launched the first tree planting campaign in 1963 and NParks will have various activities to mark this milestone. MAS will also be issuing a commemorative coin later in the year, as a reminder of Mr Lee’s values and vision. The respective agencies will announce more details in due course.

As Prime Minister Lee said in his April 2015 Parliamentary Statement, how we honour Mr Lee Kuan Yew “must be faithful to the ideals he lived by and fought for”. Efforts to mark the 100th anniversary of Mr Lee Kuan Yew’s birth should, as the hon Member Mr Sitoh said, serve to remind us of the values Mr Lee stood for and the ideals he and his fellow founding leaders fought for. Through such efforts, we hope that

a new generation of Singaporeans will be inspired and continue the work of our Pioneer and Merdeka generations in nation building.

ALLEGED INCREASED RISK OF STROKE FOR OLDER PEOPLE WHO HAVE RECEIVED PFIZER-BIONTECH COVID-19 BIVALENT VACCINE

2 **Ms Joan Pereira** asked the Minister for Health whether the Ministry is studying the preliminary safety concerns flagged by the United States Centers for Disease Control and Prevention vaccine safety surveillance system on an alleged increased risk of stroke for people aged 65 and older who have received the Pfizer-BioNTech COVID-19 bivalent vaccine.

The Senior Minister of State for Health (Dr Janil Puthucheary) (for the Minister for Health): After more than two years of COVID-19 vaccinations, there is now a well-developed and transparent safety monitoring system, where regulators around the world will highlight observations once they detected it, even if not fully investigated. Such is the nature of the recent preliminary signal reported by one of the vaccine monitoring centres in the US about strokes in individuals aged 65 and above who have had the said vaccine.

Upon further investigations, the US Centers for Disease Control (CDC) and Food and Drug Administration (FDA) assessed that this was very unlikely to reflect a true risk. The signal of a possible risk was neither observed nor validated in other US safety systems or analyses, or by other countries.

Similarly, our local data accrued for the bivalent vaccines so far also do not show any increased risk of ischaemic stroke after receiving either the bivalent Moderna/Spikevax or the Pfizer-BioNTech/Comirnaty vaccine. In fact, HSA's latest safety report showed that the incidence rate of severe adverse event after taking bivalent vaccines, at about one in 100,000, is lower than that of the original vaccines, at around seven in 100,000.

The US CDC and FDA are not making any changes to the vaccination practice in US and will continue to monitor the safety of the COVID-19 vaccines. Similarly, the Expert Committee on COVID-19 Vaccination (EC19V) and Health Sciences Authority (HSA) maintain that the benefit of both the bivalent Moderna and Pfizer COVID-19 vaccines continue to outweigh the risks, especially for vulnerable individuals.

Mr Speaker: Mr Yip Hon Weng.

Mr Yip Hon Weng (Yio Chu Kang): I thank the Senior Minister of State for his reply. I have senior residents in Yio Chu Kang who have raised similar concerns about bivalent vaccines having higher risk of stroke. Hence, some are reluctant to take the bivalent vaccine. How will the Ministry work towards allaying some of these concerns and thereby, improving the take-up rate of the bivalent vaccine among our seniors?

Dr Janil Puthucheary: Sir, I thank the Member for the question. Allaying such concerns will require a multi-channel, multi-stakeholder approach, as we have been doing for any issues and concerns around the vaccines and the vaccination programme from the start. The transparency of our processes, the information available from experts, academics and the professionals, the honest and complete discussion about risks and benefits – not that there are no risks, but the benefits significantly outweigh the risks – as well as that last-mile communication. I hope Members in this House can assist in that process of last-mile communication, taking the information provided by the Ministry of Health (MOH), by HSA, by the EC19V, by colleagues and replies in this House, and helping to convey to their residents as well.

Mr Speaker: Ms Joan Pereira.

Ms Joan Pereira (Tanjong Pagar): Thank you, Speaker. I have one supplementary question for the Senior Minister of State. MOH had recently published figures on the number of individuals who have received payments under the Vaccination Injury Financial Assistance Programme (VIFAP). Of these individuals, may I know how many of them had suffered from an ischemic stroke after receiving the bivalent vaccine?

Dr Janil Puthucheary: Sir, I thank the Member Ms Joan Pereira for her question. Among the subset of patients having received the vaccine who then subsequently received the VIFAP that she referred to, the data has been released, there were no cases of acute ischemic stroke. So, the short answer to her question is zero.

But we do not monitor the VIFAP applicants or recipients only. We monitor and look for safety signals across the entire population of people who receive the vaccines, who come to our clinics or centres, who receive medical care at our hospitals. And we are looking for that safety signal that this type of adverse event has increased. And it has not. That is the clear message that we want to send.

2023 OUTLOOK FOR INFLATION, COST OF LIVING AND SINGAPORE DOLLAR

3 **Mr Liang Eng Hwa** asked the Minister for Trade and Industry (a) what is the outlook for inflation and cost of living in 2023; (b) what are the key drivers; and (c) whether there is further scope to reduce imported inflation with a stronger Singapore dollar.

The Minister of State for Trade and Industry (Mr Alvin Tan) (for the Minister for Trade and Industry): Speaker, Singapore's inflation outlook this year is dependent on both external and domestic factors. Externally, global inflation is likely to stay firm in the near term as global energy and food commodity prices remain elevated despite coming off their peaks in 2022. At the same time, labour markets in advanced economies remain tight, thereby keeping pressure on wages.

Domestically, businesses are likely to continue to pass through elevated import and utilities costs, along with rising labour costs, to consumer prices. Meanwhile, housing rent and car inflation are projected to remain firm due to the strong demand for rental housing and tight COE quotas respectively.

Taking these factors into account, inflation in Singapore is expected to remain elevated in the first half of 2023, before slowing more discernibly in the second half, as global inflation moderates and the current tight domestic labour market eases. For 2023 as a whole, the CPI-All Items inflation is projected to come in at 5.5% to 6.5%, compared to 6.1% in 2022. Over the same period, MAS Core Inflation – which excludes accommodation and private transport costs – is expected to average between 3.5% and 4.5%, compared to 4.1% in 2022.

On our monetary policy, as I had explained to this House in November last year, the effects of the Monetary Authority of Singapore (MAS)'s five successive monetary policy tightening moves will continue to dampen inflation in the year ahead. MAS remains watchful of the near-term risks to inflation and growth. The agency will review our monetary policy in April 2023.

Mr Speaker: Mr Liang Eng Hwa.

Mr Liang Eng Hwa (Bukit Panjang): Thank you, Sir. I appreciate the proactive move by the MAS with the stronger Singapore dollar to help mitigate the imported inflation. We have also read about how the supply chain has stabilised, which hopefully, will not add new pressures to our inflation from external sources. I wish to ask the Minister of State how much inflationary pressure does he see coming from domestic sectors. In other words, how much of the inflationary pressure is domestically driven? Secondly, what more can we do to manage this domestic cost pressure, which the businesses are facing?

Mr Alvin Tan: I thank the Member for his supplementary question. In fact, MAS was very pre-emptive in its response to the pick-up in inflation, having started monetary policy tightening in October 2021, even when global inflationary pressures were relatively modest. That is important. And just to give Members a sense, as at end January 2023, the Singapore dollar nominal effective exchange rate (S\$NEER) has strengthened by 7.8% against a basket of currencies of our major trading partners, if you compare that to October 2021, when MAS first began tightening monetary policy.

On domestic inflation, domestic inflation is related to external factors. So, if you look at the external front, you might have fresh shocks to global commodity prices such as those arising from worsening geopolitical tensions or a significant strengthening of demand following the reopening of China's economy. This, naturally, will result in higher domestic inflation, particularly for food and energy-related items.

Domestically, more persistent than projected manpower shortages could culminate in stronger labour cost pressures.

The Government is aware of this but we expect this current tightness in the domestic labour market to ease over the course of the year, particularly with labour demand likely to soften amidst global economic headwinds, while continued non-resident inflows could also help to reduce labour market tightness and moderate cost pressures.

For labour costs, the Government is also co-funding the wage increases of lower-wage workers for five years, from 2022 to 2026, under the Progressive Wage Credit scheme (PWCS). As part of this \$1.5 billion support package announced in June, the Government's co-funding share of this 2022 PWCS support was enhanced from 50% to 75% for wages up to \$2,500, and from 30% to 45% for wages above \$2,500 and up to \$3,000.

The Government will look into the business environment and assess if more support schemes are required to support our businesses.

Mr Speaker: Mr Saktiandi Supaat.

Mr Saktiandi Supaat (Bishan-Toa Payoh): Thank you, Mr Speaker. I thank the Minister of State for the answers he gave earlier. I just want to ask a broad, macro question. Can I have a sense of the Government's view of the growth and inflation bias for 2023 and into 2024 as well, especially with China reopening. The Minister of State has given a very extensive answer on inflation. But may I have a rough sense, what is the growth and inflation bias in terms of the outlook for 2023 and going into 2024?

Mr Alvin Tan: As I mentioned in my earlier reply, CPI-All Items inflation is projected to be higher, as well as our core inflation, but the global market outlook is uncertain; in part, because of potential geopolitical tensions that we have been seeing in the news almost every day. There is also a softening of or normalisation of supply chains but it continues to be tight. We are still quite moderate in our expectations for growth, but at the same time, it is important for us to keep a longer-term view. That is why, for example, for the monetary policy to be proactive, for fiscal policy to be also supporting both our businesses as well as Singaporeans as a whole.

DUE DILIGENCE ON CARBON CREDITS ISSUED BY GOLD STANDARD AND VERRA

4 Mr Chua Kheng Wee Louis asked the Minister for Sustainability and the Environment (a) whether due diligence was done by NEA on carbon credits issued by Gold Standard and Verra before Memorandums of Understanding (MOU) were signed in 2022; (b) if so, what are the findings of the due diligence; (c) what is NEA's assessment of recent claims by researchers that most of Verra's rainforest offset credits are phantom credits; and (d) whether the MOUs with Verra will remain in force in light of the recent developments.

The Minister for Sustainability and the Environment (Ms Grace Fu Hai Yien): Mr Speaker, the MOUs that the National Environment Agency (NEA) signed with Gold Standard and Verra aim to facilitate Singapore-based companies in exercising the option to use high-quality international carbon credits (ICC), to offset up to 5% of their taxable emissions from 2024. The MOUs are not legally binding and do not qualify all ICC issued by Gold Standard and Verra, as companies must meet the environmental integrity criteria of the Singapore Government.

Gold Standard and Verra were selected as MOU partners as they are two of the largest carbon crediting programmes which have been accepted by the International Civil Aviation Organisation or ICAO to issue carbon credits for compliance under the Carbon Offsetting and Reduction Scheme for International Aviation, or CORSIA for short. CORSIA standards have been developed and backed by a multilateral

process led by ICAO, in consultation with green groups and experts, and are widely regarded as being among the most rigorous standards in the industry.

The Singapore Government is aware of The Guardian's report on rainforest credits issued by Verra and the response and clarification issued by Verra. We take all scrutiny of carbon markets and projects seriously, and are committed to ensuring that carbon credits uphold high environmental integrity standards. We will take these developments into account as we finalise the environmental integrity criteria for the ICC that are eligible for carbon tax offset. We will publish a whitelist of acceptable ICC later this year, which will include eligible host countries, carbon crediting programmes and methodologies.

Mr Speaker: Mr Louis Chua.

Mr Chua Kheng Wee Louis (Sengkang): Thank you, Mr Speaker. I have two quick supplementary questions. The first is in relation to the whitelist and eventually the list of approved and eligible credits. What are the steps that the Ministry will take to ensure the veracity of these credits that are available today and in future? Secondly, in terms of the Singapore-based companies themselves who are looking to use carbon credits to offset their carbon emissions, how do we ensure that the companies themselves buy only the verified and so-called legitimate credits?

Ms Grace Fu Hai Yien: Thank you very much. As I mentioned in my main reply that we would consider all developments in standard settings or discussions or multilateral fora including in CORSIA and other discussion fora. And we will do our best to work with stakeholders to ensure that the carbon credit offsets have a good chance of developing into a healthy set of markets.

As to the second questions on companies, different companies have different purposes and motivation when going into carbon credits, I do not think the Government should tell them how they would offset their carbon but reputable companies may want to also monitor what Governments are doing and if necessary, they may like to follow what the Government has stated in our whitelist and also in our methodologies.

Ultimately, I think all companies, players in the carbon credit markets, will have to look at standards, have to look at methodologies and all the assumptions therein. The carbon credit market is a very, very broad and extensive one, covers many, many sectors and so companies will have to pick and choose the sector they are interested in and pay attention on methodologies.

REVIEWING POLICE'S OPERATING PROCEDURES TO MINIMISE OCCURRENCES OF WRONGFUL ARREST

5 **Mr Ang Wei Neng** asked the Minister for Home Affairs in view of the recent finding of wrongful arrest by the High Court, whether the Police will consider reviewing its operating procedures to minimise such occurrences in the future.

6 **Mr Saktiandi Supaat** asked the Minister for Home Affairs in light of the recent court finding that an individual has been wrongly arrested by a Singapore Police Force (SPF) officer (a) whether a review of SPF's procedures in relation to a person suspected to have a mental disorder has commenced; and (b) whether the incident and the results of any such review will be publicly addressed to maintain confidence in the SPF's ability to deal with cases of suspected mental disorder.

The Minister for Home Affairs (Mr K Shanmugam): Mr Speaker, may I have your permission to answer Question Nos 5 and 6 in today's Order Paper? My response will also cover the matters raised in the question by Mr Leong Mun Wai, which is for written reply.

Mr Speaker: Please do.

Mr K Shanmugam: In the Mah Kiat Seng case, the High Court made a number of observations about the conduct of a specific Police officer. The officer had detained a person under section 7 of the Mental Health (Care & Treatment) Act (MHCTA).

The subject was believed to be dangerous by reason of mental disorder. He was reported to have suddenly touched the head of a stranger's four-year-old child, without having any reason to do so. He was also observed to have behaved erratically. In fact, it was the child's mother who gave the report.

We are studying the judgment in this case. Our concern is that the Court's findings may adversely impact the Police's ability to detain persons under the provisions of the MHCTA, as they stand.

The Attorney-General's Chambers (AGC) will be advising on whether we should file an application for permission to appeal, in respect of the judgment.

Since an appeal may be filed, we usually refrain from commenting in detail on Court decisions – unless it is in the public interest that we do so. The Administration of Justice (Protection) Act provides for statements on pending Court proceedings to be made, in such situations. In our view, this is one such case. But nevertheless, I will be careful in what I say, and will be quite constrained and circumscribed.

Before I comment on the case itself, let me give Members some perspective.

Today, we are one of the safest countries in the world. Our level of safety and security is underpinned by the high levels of trust between the Government and the public, and a system of policing that is highly trusted and effective. In the 2022 Gallup Law and Order Survey, 95% of Singapore residents said they felt safe walking alone on the streets at night. The Singapore Police Force (SPF)'s Public Perception Survey in 2021 showed that public trust in the SPF is at 96%. In the same survey, 98% of respondents said that they would provide assistance and information to the Police, if there was a need.

This would not be possible without the high levels of trust in, and competence of, the Singapore Police Force, built up over the years. If you compare it with countries where they want to abolish the Police, first world countries, you can see the contrast.

The framework we have in place, to ensure that our officers behave in accordance with the law, has helped to maintain standards and trust. I will mention the following:

First, the Police themselves are the first layer of check; there is a process to investigate any abuse of power. And we ourselves take action against errant officers. People know that we will do so. Patrol Officers wear body-worn Cameras. Officers' actions can be assessed and actions taken.

Second, where necessary, we can convene – and we have convened – the Independent Review Panel (IRP). The IRP consists of former judges, former senior public officers and other individuals with significant standing in society. It provides an independent assessment on whether the internal investigations were fair and thorough.

And third, if criminal offences are potentially disclosed, we recommend Court prosecution and let the Courts deal with the matter. The Courts thus provide a third layer of safeguards. The supervision of the Courts is an integral part of ensuring that our system functions properly.

To give Members a sense, over the past three years, an average of 78 Police officers have been subject to disciplinary proceedings annually. And about 10 Police officers have been charged in court each year, for the past three years, for criminal offences.

We will not hesitate to take action when there is an infraction – that is essential to maintain trust with the public and discipline within the Force.

At the same time, while we have to be strict about upholding the highest standards for Police, we have to ensure that our analysis of officers' ground judgments is reasonable and fair.

Police officers work in high-stress and dynamic environments. They often have to make split-second decisions and take decisive action, based on the limited information that they have. It would not be realistic to critique their every move with the benefit of hindsight, removed from the conditions on the ground. The officers must be given sufficient latitude to make swift ground assessments and decisions, as long as they have acted in good faith.

An environment in which Police actions are unfairly critiqued, will inevitably undermine public trust in the Police. It will also lead to defensive policing – where the ground officers will try to do the least possible. They will fear that everything they do will be over-analysed and picked apart unfairly. It would be easier in such situations to not do anything.

Defensive policing is, essentially, no policing – and that can have a detrimental effect on our safety and security. And an unfair characterisation of the Force will eventually also lead to the public thinking of the Police as the enemy and viewing the Police with suspicion. That has happened in other countries. We have so far avoided that situation and we have to be careful to avoid that outcome.

On the specifics of this case, we do have some concerns about the judgment that has been delivered, in this respect.

The Court found that the detained subject had "unusual" behaviour, but those did not qualify as symptoms of someone with a mental disorder. But the Police officer was just equally observing and had to make decisions on the ground. The Court also said that the officer took a dislike to the detained person and that the officer had made up observations about him. We are looking closely at the Court's reasons for reaching these conclusions – the Police tell me that they take a different view.

The Police and AGC will look at these points and decide whether the Court's decision should be appealed. In deciding what to do, we have to bear in mind that decisions in individual cases – Court decisions – can have a much larger and unintended effect, of negatively impacting how officers react in future to such situations.

The Court also made some comments about several issues in law. Such as what the word "danger" in the MHCTA must entail, on the ground. And whether the powers for the Police to "apprehend" someone under the MHCTA and to "arrest" someone under the Criminal Procedure Code (CPC) are the same. These comments might have an impact on how the Police can exercise their powers and may have adverse public safety implications.

We are studying the Court's comments carefully. We will then decide whether to file an application for permission to appeal or make changes to the law as necessary, to address any gaps that may have arisen between the policy intent and the position in law. If we reach the conclusion that the Court's findings are in fact – as advised by AGC – reasonable and correct, then we will have to internalise that, and make sure the key points are made clear to our officers, so that they understand the situation better. Right now, the sense amongst the Police officers is one of concern, on what liability may befall them, for actions which they may take in the discharge of their duties.

In summary, there are concerns with the judgment. We are now considering the next steps.

Mr Speaker: Mr Ang Wei Neng.

Mr Ang Wei Neng (West Coast): Thank you, Speaker. I thank the Minister for the comprehensive reply. I definitely concur that Singaporeans have high trust in the Police force and a Police officer on ground need to have the latitude in carrying out their duty.

I have two clarifications. One, can I just clarify if all the patrol officers on the ground are wearing the wearable CCTV, the cameras, throughout the whole force? Second, the Minister said that a few of the Police officers were charged in Court for criminal offence. Were they charged in the course of their duty or their own behaviour which caused them to be charged in Court?

Mr K Shanmugam: On the first question, yes, the patrol officers wear body-worn cameras (BWCs). On the second question, it is for a variety of conducts – some in the discharge of their duties, some are outside. The point I am making is that the fact that they are Police officers, gives no immunity. If they have committed an offence and we investigate and we find that there is a prima facie case, where AGC believes that it can be proven beyond reasonable doubt, then they will be charged.

Mr Speaker: Mr Saktiandi Supaat.

Mr Saktiandi Supaat (Bishan-Toa Payoh): Mr Speaker, I would like to thank the Minister for his answers. My question is probably on the flip side. I have a resident who came to me recently about the case of her husband who, supposedly, has a mental disorder. When he was violent towards her, the Police could not take action against him.

My question is, if the Minister can share, what processes could be made to be clearer to the ground officers in cases involving mental disorder, especially as what you mentioned just now, the risk of defensive policy to the ground officers. My suggestion is possibly, if there could be further link-up between officers dealing with mental capacity cases and IMH, and whether there could be quicker relations, with regard to individuals with mental disorders?

Mr K Shanmugam: The Police do liaise closely with IMH. In the Mah Kiat Seng case, the person's behaviour was observed to be erratic. In fact, the judge accepted that there was some of that. But IMH felt that he was not mentally insane; and that is entirely possible; there is a wide continuum.

Likewise, I will have to look at the facts of the case that you referred to. It is a bit difficult to answer here. But it is entirely possible that one can exhibit various degrees of bizarre behaviour without actually being classified as insane by IMH. So, the wife might well consider the husband to be mentally unsound, but the husband may not qualify in the facts of your case to be classified as unsound.

In such a case, the Police can only intervene if there is a threat of imminent danger or violence or assault or something along those lines. [Please refer to "[Clarification by Minister for Home Affairs and Law](#)", Official Report, 7 February 2023, Vol 95, Issue 82, Correction by Written Statement section.] It does not have to be physical assault, but if there is a risk, then there are possibilities. Well before that, the person who came to see you, can be assisted to seek Protection Orders from the Courts as well.

CAPACITY OF MAINTENANCE, REPAIR AND OVERHAUL SECTOR IN SINGAPORE'S AVIATION INDUSTRY GIVEN RESUMPTION OF FLIGHTS

7 Mr Dennis Tan Lip Fong asked the Minister for Trade and Industry (a) whether he can provide an update on how the maintenance, repair and overhaul (MRO) sector of our aviation industry is currently coping with the present demands for their services arising from the increase in the past year of commercial flights in Changi Airport; and (b) whether the MRO sector will be ready to cope with the likely increase in flights in the coming months which may arise from the re-opening of China's borders.

The Minister of State for Trade and Industry (Mr Alvin Tan) (for the Minister for Trade and Industry): Sir, our aerospace industry is coping well with the increase in demand for maintenance, repair and overhaul (MRO) services, following the reopening of borders. The industry's monthly index of industrial production has exceeded pre-COVID-19 levels since the second quarter of 2022 and grew 27.7% year-on-year in 2022.

We expect MRO demand to grow further as China opens its borders. To cope with this demand, aerospace companies are increasing their recruitment efforts and looking to fill about 3,000 new roles by the end of this year. They are also investing in technology and innovation. For example, Pratt & Whitney announced plans last September to establish its Technology Accelerator here in Singapore, which will develop technologies to increase productivity and help the company meet future demand.

Mr Speaker: Mr Dennis Tan.

Mr Dennis Tan Lip Fong (Hougang): I thank the Minister of State for the answer. I just have a few supplementary questions. I would like to know whether there are any efforts being made to recruit local MRO professionals or workers who have left the industry during the pandemic? And if so, why efforts have been made to recruit them again? Is there any shortage of local MRO workers and professionals at this point in time?

Mr Alvin Tan: I thank the Member for his questions. I think it is good now to paint a broader picture of the aerospace industry, and to welcome both new entrants to the aerospace industry and also workers who have left and can come back. Let me give Members a broader picture and in this case, it is a bit of a HR practitioner, in this regard.

First, we are attracting new MRO operations in Singapore. I give you two examples. First, there have been many MRO companies that have expanded their operations since last year. They include Liebherr, who is expanding their in-house repair capabilities for hydraulic and heat transfer equipment. They are also working with our EDB to train and develop programmes for their employees. We also have Meggitt, who doubled the size of their centre of excellence to accommodate MRO capabilities for over 100 new aircraft components.

So, we are continuing to attract these aerospace companies into Singapore and helping them also to expand their offerings into Singapore and therefore increasing our manufacturing output.

The second is the ensuing jobs created. Aerospace companies, as mentioned in my earlier reply, are actively recruiting talent to fill the various roles across all of the different MRO sub-segments. There are many roles in demand, you might want to try including technicians, engineers, production associates; and companies are also keen to hire talented emerging areas such as digital services as well as autonomous technologies. This can enhance productivity and innovation in the MRO process.

On the localisation, the aerospace industry has a high rate of job localisation of almost 80%. Majority of them are working as PMETs and the Government is working closely with companies, schools and unions to build a robust local talent pipeline for the sector. So, we will focus on reskilling and upskilling workers in this regard.

Please do join our aerospace industry. We are expanding the industry, we are also creating jobs and we also provide training. I give you two quick examples, SkillsFuture Singapore transition programme on aircraft maintenance for technicians and then also there is a Workforce Singapore's career conversion programme.

Finally, we are also developing technology and innovation. So, it is not just bringing them in, providing jobs and skilling, but we are looking forward bound into the future. For example, the Agency for Science, Technology and Research (A*STAR), Rolls-Royce and Singapore Aero Engine Services Private Limited (SAESL) have set up the smart manufacturing joint lab to develop next-generation MRO and manufacturing capabilities. More than 100 SMEs have thus far participated in the joint lab with some becoming qualified suppliers to global aerospace companies.

Finally, we also have a plan. Deputy Prime Minister Heng and I launched our aerospace industry transformation map in October 2022. It is a forward-looking map, which has plans for the aerospace industry to 2025 and we hope to achieve \$4.6 billion in real value-added by 2025, which is a 15% increase in our target of ITM 2020.

So, the aerospace sector is looking bright and I encourage Singaporeans to also apply and join the sector.

READY AVAILABILITY OF MOBILE DEVICES AND IMPACT ON YOUTH EDUCATION ON HARMS OF DRUGS

8 **Dr Tan Wu Meng** asked the Minister for Home Affairs (a) whether current efforts to educate youths on the harm of drugs have considered (i) the opportunities and challenges arising from the increased availability of mobile devices (ii) the evolving media environment overseas and (iii) the risks of very young Singaporeans inadvertently coming across drug content; and (b) what is being done to keep up the educational efforts with the ongoing and emerging trends of content promoting drugs.

The Minister of State for Home Affairs (Assoc Prof Dr Muhammad Faishal Ibrahim) (for the Minister for Home Affairs): Sir, the ubiquity of mobile devices and use of social media has indeed exposed youths more to liberal drug views and lifestyles. They also make it easier for people to procure drugs.

The Central Narcotics Bureau, or CNB, has therefore also been actively using social media platforms to reach out to youths, to educate them on the harms of drugs through explainer videos, news stories, infographics and other means.

CNB also works with youth advocates, such as students from Institutes of Higher Learning, to ensure that its anti-drug messages and campaigns are relatable to youths. For example, CNB collaborated with students from Singapore Polytechnic's School of Business last year to roll out two anti-drug social media campaigns.

CNB works with MOE and schools to incorporate anti-drug messages into the school curriculum. It engages students through talks, sharing sessions, exhibitions and skits.

There are also efforts to get parents on board. In 2022, CNB collaborated with 13 community libraries to bring attention to the important role that parents play in helping their children to understand the dangers of drugs. CNB produced a range of anti-drug materials suitable for families with young children for display at these libraries. Some of the libraries organised family-friendly activities, such as storytelling and craft sessions, to raise awareness of the harms of drugs. CNB also commissioned editorials in The Straits Times' "Smart Parenting" column to highlight the important role of parental guidance in drug issues.

Mr Speaker: Dr Tan Wu Meng.

Dr Tan Wu Meng (Jurong): I thank the Minister of State for his answer. I have met Clementi parents who are worried about foreign drug cartels and foreign influence and sponsorship that may be leading to a proliferation of drug lifestyle, media and related contents that may find its way into the handphones and mobile devices that their children are using. So, can I ask the Minister of State two supplementary questions?

Firstly, how is CNB looking out to prevent, detect and take down content that facilitates access to or acquisition of controlled drugs? Secondly, can the Minister of State also tell us what are the most commonly abused drugs among youths under the age of 16 in Singapore at the moment?

Assoc Prof Dr Muhammad Faishal Ibrahim: Sir, I thank the Member for the supplementary questions. We are aware of online platforms being an opportunity for the drug cartels or even people in the different lines of drug supply and trafficking who may share on online platforms. So, as such, we engage social network services, e-commerce businesses, Internet service providers and technology companies to seek their cooperation. We work with them to detect and prevent the advertisements of controlled drugs. So, we do that. And this involves taking down the advertisements, banning the account from being used to peddle drugs and publishing anti-drug advisories on their platforms.

That is something, from the operational perspective, that we do.

If you look at the Misuse of Drugs Act in 2019, where we introduced new offences that aim to address the acts of contamination, where any person who disseminates or publishes information on the cultivation, manufacturing, consumption, trafficking, importing and exporting of controlled drugs, may face an imprisonment term of up to five years or fine up to \$10,000 or both with harsher punishments for repeat offenders. So, this is where we target persons who share harmful information regarding drugs, particularly online to influence others towards the commission of drug activities.

We will continue to navigate this because we also look at issues, not only in the upstream, but we are also looking at the operational and intelligence angle, and we continue to improve and be ahead of what the cartels or syndicates are doing.

The Member asked a question about the most commonly abused drugs among youths. Essentially, it is methamphetamine, or in short, meth, cannabis and new psychoactive substances. This is the trend that we have been seeing in the last five years and we will continue with our preventive drug education at the various platforms.

At the end of the day, we also want the youths to feel empowered. We have been working with them to co-create not only to produce the information materials but co-create the feeling of being empowered to stay drug-free. They also engage their counterparts from overseas. Recently, we had youths from Hong Kong visiting us. So, we also involve our youths in this process.

As a whole, it is not only about Singapore. We want to make sure that our youths also understand why drugs are so harmful, not only within the Singapore context but also beyond and how they can play a part in this effort. We cannot do this alone. We need to work with youths and the community.

Essentially, while we continue to engage via online means, we also do not forget the face-to-face. That is where we engage parents – we share with them what they should do, some of the signs and symptoms of when their child is taking drugs and so forth. It is hard work but meaningful and worthwhile, to keep Singapore safe and secure.

UPDATE ON TESTING AND DEPLOYMENT OF AUTONOMOUS VEHICLES IN PUBLIC TRANSPORT SECTOR

9 Mr Melvin Yong Yik Chye asked the Minister for Transport (a) whether he can provide an update on how many Autonomous Vehicles (AV) have passed Milestone 1 and 2 tests respectively; and (b) whether AV development in Singapore is progressing as planned, particularly for autonomous public transport.

The Senior Minister of State for Transport (Mr Chee Hong Tat) (for the Minister for Transport): Mr Speaker, as of 27 January 2023, 43 autonomous vehicles, or AVs, have passed the Land Transport Authority (LTA)'s Milestone 1 test, and one AV has passed LTA's Milestone 2 test.

The AV trials in Singapore which we had facilitated since 2014 have yielded important capability development in testing and certification, and an understanding of the operational requirements for the safe deployment of AVs alongside conventional motor vehicles. These trials have also informed us that the capabilities would need to be further developed for local operating conditions, particularly in public transport, before larger-scale deployment on our roads can be achieved. These include the perception and sensing capabilities of AVs under complex scenarios in our urban environment and during inclement weather conditions.

AV companies would, therefore, have to undertake further research and development and trials. LTA will continue to facilitate these efforts.

Mr Speaker: Mr Melvin Yong.

Mr Melvin Yong Yik Chye (Radin Mas): Sir, I thank the Senior Minister of State for his reply. I have two supplementary questions. I first declare my interest as the executive secretary of the National Transport Workers' Union (NTWU).

I think, globally, we have started seeing commercial trials of AVs ferrying passengers. However, there remains significant concerns over safety risks, especially in high-density environments, such as that in Singapore. As the Government reviews its AV plans, will the Ministry consider a deliberate slowing down of our deployment timelines, especially for our public transport, until such time when the technology is more mature and safer?

I would also like to ask if the Ministry can work closely with the unions to prepare and transit our workers in the public transport sector, such as bus captains, taxi drivers, private hire vehicle drivers, in line with the AV deployment timeline. I think we should provide our unions and our workers sufficient time to adjust and to adapt to a driverless world.

Mr Chee Hong Tat: Mr Speaker, the deployment of AVs in Singapore would depend on a few factors. First, of course, is the progress of the AV technology and, importantly, to be able to meet safety standards and operational requirements. There is also the commercial viability perspective. And then, finally, there is public acceptance, which is also very important in order for larger-scale deployment.

Our assessment is that it will take some time to achieve this larger-scale deployment in Singapore for the reasons that I have mentioned in my main reply, and I think Mr Melvin Yong also mentioned some of these. The impact of AV deployment, therefore, would be gradual. We have time to continue to work closely with the commercial operators, the researchers and also, with our unions and our workers.

So, I would not want to characterise this as a deliberate slowing down, but neither are we trying to intentionally speed it up. We will let the technology and the commercial viability, and also, the awareness and public acceptance, make progress steadily. But if we are able to have some breakthroughs, I think that will be beneficial.

With regard to the collaborations on preparing our workers for this transition, I think that is an extremely important area. Allow me, Mr Speaker, just to share briefly. For the bus sector, for example, we have been working closely with the National Transport Workers' Union (NTWU) and also, our public transport operators to develop a skills and training roadmap. The roadmap will identify emerging skills and what are some of the new job roles arising from the deployment of autonomous technologies, and what are the courses and on-the-job training that we can provide to our workers.

LTA will also work closely with industry players and with SkillsFuture Singapore to update the existing skills framework to ensure relevance for the bus workforce. For the point-to-point (P2P) sector, from March 2022, the training curriculum for the Taxi Driver's Vocational Licence (TDVL) and Private Hire Car Driver's Vocational Licence (PDVL) have been updated to help taxi and private hire car drivers adapt to technological advancements, such as the emergence of AVs and the likelihood of jobs that will evolve arising from this trend.

DISCOUNTS IN TICKET PRICES TO ATTRACTIONS FOR RESIDENTS

10 Assoc Prof Jamus Jerome Lim asked the Minister for Trade and Industry whether the Ministry provides guidelines or subsidies for entry pricing for major attractions for tourists relative to Singapore residents and, if so, whether steeper discounts for residents are possible.

The Minister of State for Trade and Industry (Mr Alvin Tan) (for the Minister for Trade and Industry): Sir, the Ministry of Trade and Industry (MTI) encourages attraction operators to offer discounts to Singapore residents. However, admission pricing is, ultimately, a decision to be undertaken by the operators themselves.

Some attractions have differentiated pricing or seasonal discounts for locals, vis-à-vis tourists. For instance, Universal Studios Singapore (USS), S.E.A. Aquarium, ArtScience Museum and the Mandai Wildlife Parks all offer cheaper, single-entry tickets to locals. These attractions also typically offer seasonal or annual passes to locals. And other attractions, such as the National Museum of Singapore and the National Gallery, also offer free admission to locals. So, please, visit all of our attractions.

Mr Speaker: Assoc Prof Jamus Lim.

Assoc Prof Jamus Jerome Lim (Sengkang): I thank the Minister of State for his response. And, indeed, one of the motivations for me to ask the question was because I went for such a visit with my family, and what I observed was, in contrast to many other countries, the discount turns out to be a very small fraction of the total ticket price. More generally, it makes me wonder whether there could be a greater effort by the Government for either, perhaps, a one-off ticket that could be available for every household who are in the Singaporean Core so that they can at least experience these world-class attractions just once, or perhaps more substantial discounts for low-income families, because, right now, as far as I can gather from the site, the more substantive discounts are just for seniors.

Mr Alvin Tan: I thank the Member for supporting our attractions. Well, at this moment, Singapore Tourism Board (STB) does not have plans to provide guidelines for direct subsidies pertaining to admission prices for Singapore's attractions. However, if the Member would remember during the height of the COVID-19 crisis, where many of our attractions and, indeed, our tourism sector was hardest hit by COVID-19, we launched SingapoRediscovered Vouchers (SRVs). And that, indeed, helped a lot of the attractions.

It did not just help our tourism sector, but it also enabled Singaporeans to go out there and to participate and enjoy the many attractions we have to offer.

Just to give Members some data, about 1.9 million Singaporeans used their SRVs, generating about \$300 million in voucher redemptions, including \$180 million in vouchers and about \$120 million in out-of-pocket top-ups for the SRVs bookings.

The scheme also assisted and helped many of our retail, food and beverage and transport in about \$100 million dollars' worth of ancillary spending. Although the scheme has ended, we urge the Member, and many Singaporeans, to continue supporting our local businesses and exploring our country. We have many new developments coming up, including Bird Paradise in the second quarter of this year. So, please do visit and support our tourism attractions.

PROPOSAL FOR PUBLIC CONSULTATION ON GENERATIONAL BAN ON SMOKING

11 Mr Louis Ng Kok Kwang asked the Minister for Health (a) whether the Ministry will conduct a public consultation on a generational ban on smoking; and (b) whether the Ministry will set up a citizens' workgroup to study the possibility of imposing a generational ban on smoking.

The Senior Parliamentary Secretary to the Minister for Health (Ms Rahayu Mahzam) (for the Minister for Health): The Ministry of Health (MOH) is reviewing the feasibility of a generational ban on tobacco, also known as Tobacco-Free Generation policy, as part of our tobacco control strategy.

We thank Mr Louis Ng for his suggestion. As part of the review, we will consider public consultation or other engagement to gather feedback from the population on potential new tobacco control policies, which may be implemented.

Mr Speaker: Mr Louis Ng.

Mr Louis Ng Kok Kwang (Nee Soon): Just a quick one, Sir. I thank the Senior Parliamentary Secretary for the reply that MOH is considering a public consultation. But what about the citizens' workgroup that I suggested as well?

Ms Rahayu Mahzam: We are not closed to the different modalities of engagements, so we will consider this as part of our efforts in getting and gathering feedback from the public.

MEASURES TO CLOSE PAY GAP BETWEEN ITE, POLYTECHNIC AND UNIVERSITY GRADUATES

12 **Dr Wan Rizal** asked the Minister for Manpower (a) what measures will the Ministry propose to close the pay gap between ITE, polytechnic and university graduates over the course of their careers; and (b) how does the Ministry plan to engage with employers to address pay disparities among graduates in the workforce.

The Minister for Manpower (Dr Tan See Leng): Mr Speaker, various Government agencies, including the Ministry of Manpower (MOM), the Ministry of Education (MOE), the Ministry of Trade and Industry (MTI), have been working together to tackle the issue of wage differences amongst graduates. There are ongoing efforts in partnerships with companies, and we are also working on new initiatives to address the differences in wages.

It is important we narrow these differences to ensure social cohesion is not impacted.

First, we need to enable our ITE and polytechnic graduates to enter good quality, in-demand jobs so that they can enjoy good career prospects and sustained wage growth. We do this in a few ways. Our ITE and polytechnics regularly review their curricula to ensure their industry relevance and this includes aligning with the skills framework and the Industry Transformation Maps (ITMs).

They also work closely with employers and sector agencies to provide quality internships to students, equipping them with skills to enter good jobs related to their training. Additionally, MOE is scaling up Work-Study Programmes, where fresh polytechnic and ITE graduates are placed into jobs where they can deepen their skills through a structured training programme that includes on-the-job training, while pursuing careers related to their disciplines of study.

MOE regularly tracks the effectiveness and relevance of these Work-Study Programmes. More than 95% of graduates were employed within six months after completion of the programmes. And based on MOE's latest survey findings, median salaries had also increased compared to what they received at the start of the programme. For example, ITE is growing its Work-Study Diploma Programme from 1,200 places to 1,500 places each year by 2025, so more graduates can benefit from Work-Study Programmes. This is complemented by new sector-specific programmes, which were launched last year.

To Dr Wan Rizal's question on how we plan to engage with employers, IMDA, together with industry players, has set up the TechSkills Accelerator, or TeSA programme for short, for ITE and Polytechnics Alliance, or the TIP Alliance in short, to equip our polytechnic and ITE graduates with the skills to kickstart their careers in tech. The TIP Alliance will work with participating companies such as Accenture, Google and Singtel to provide internships and apprenticeships.

MTI has also introduced the Accelerated Pathways for Technicians and Assistant Engineers for Manufacturing, or APT(M) to support manufacturing companies with progressive HR practices in hiring and training ITE graduates for Technician and Assistant Engineer roles, and providing them with career, skills progression and competitive salaries.

Secondly, we need to support our ITE and Polytechnic graduates to continuously upskill and progress in their careers. As our economy continues to restructure, as it continues to transform, jobs as well as careers will also keep evolving.

The National Centre of Excellence for Workplace Learning, or NACE helps companies to strengthen their workplace learning capabilities, so that their workers can upskill on the job. ITE and Polytechnic graduates can pursue modular upgrading or part-time full qualification programmes at the Institutes of Higher Learning (IHLs) while they are working. These modular courses can stack up to diploma, post-diploma and degree qualifications.

Over time, workers may also consider pivoting to new careers as interests change and new opportunities emerge in the economy. Workforce Singapore (WSG) offers close to 100 Career Conversion Programmes, or CCPs, across about 30 sectors, to help workers to transition into new in-demand jobs. More than 12,000 Polytechnic and ITE graduates have benefited from CCPs in the last five years and moved into new jobs into sectors including air transport, financial services and early childhood.

Thirdly, we also need employers to consider ITE and Polytechnic graduates fairly for job and promotion opportunities and prospects, instead of being pigeonholed unfairly based on their starting qualifications. The Tripartite Guidelines on Fair Employment Practices set out fair and merit-based employment practices that all employers should adopt when making employment decisions. The Tripartite Alliance for Fair and Progressive Employment Practices, or TAFEP, has been supporting employers with advisory services and resources to implement fair practices. In addition, the Institute for HR Professionals (IHRP) works closely with enterprises and HR professionals to strengthen overall HR capabilities, such as via the Human Capital Diagnostic Tool (HCDT) to identify developmental areas and upskill HR in fair and progressive practices via IHRP skill badges.

I have outlined our very comprehensive approach to ensure that our ITE and polytechnic graduates will continue to enjoy good career prospects and for them to achieve their fullest potential. Success will require buy-in from everyone in society to do our part to recognise, to value one another, and to embrace a broader definition of meritocracy.

Mr Speaker: Dr Wan Rizal.

Dr Wan Rizal (Jalan Besar): Thank you, Mr Speaker. I would like to thank the Minister for the comprehensive reply. My concern is really about the growing divergence in the starting pay of the ITE, the polytechnic and the university students. My greatest concern really is over time, this gap widens, it increases and it is very difficult to catch up over time.

Having taught students from ITE and right now in polytechnics too, I can see the potential in them especially when they come back to do their part-time diplomas or degrees. But they do feel that because they had started way further, it becomes more difficult for them to come forward. Many of this issue stems from the issue of stigmatisation. How do we overcome this? And that is why I ask in the Parliamentary Question what are the measures that the Ministry would take to change the mindset among employers? And that would be my supplementary question.

But at the same time, can we set a timeline for an implementation? At the very least, we can give ourselves this idea that we are going toward somewhere. And we can give our ITE and polytechnic graduates that idea that we are trying our best to close this gap. In that regard, would we be willing to start a longitudinal and continual study, and data collection on the pay gap between the different groups so that we can use this data to supplement our policy planning?

Dr Tan See Leng: I thank the Member for his suggestion. Members of the House, this is an ongoing exercise. The Government tracks the employment outcomes of graduates through surveys. This includes the graduate employment survey as well as the comprehensive labour force survey. To complement these surveys, the MOE is working with the IHLs to pilot tracer surveys that can track key trends on graduates' employment status and wages five years after graduation. The findings will then be used to engage the relevant stakeholders to improve employment outcomes for all of graduates.

In response to the Member's suggestion, on top of these surveys and the studies that have been ongoing, as I have said earlier on, it takes all the different stakeholders in our society to come together to recognise the contributions of each and every one of our workers, irrespective of the qualifications.

So broadly, if I may share a bit under the Forward Singapore "Empower" pillar, we are further looking into how to help our workers develop their career health, by helping them to make clearer and informed career decisions; help them to better navigate the labour market as well as be rewarded for their skills. We believe that by investing in this and by continually helping them to upgrade, to re-skill, to keep relevant to the rapidly changing disruptions that we are seeing around us, they will then be able to, as a result of the re-skilling and the upgrading, improve their wages as well as their career prospects.

INSTALLATION OF DRINKING WATER FOUNTAINS IN AREAS OF HIGH FOOTFALL

13 **Mr Leon Perera** asked the Minister for Health whether the Ministry will implement mandatory installation of water coolers in areas of high footfall for drinking water to be readily available so as to promote better health.

The Senior Parliamentary Secretary to the Minister for Health (Ms Rahayu Mahzam) (for the Minister for Health): The Ministry of Health (MOH) has worked with the National Environment Agency (NEA), Housing and Development Board (HDB), Land Transport Authority (LTA) and National Parks Board (NParks) to increase the availability of water dispensers. They are now installed at all hawker centres, and are also available at parks, bus interchanges and terminals. Owners of other premises are also encouraged to install water dispensers and water coolers.

Mr Speaker: Mr Perera.

Mr Leon Perera: I thank the Senior Parliamentary Secretary for her reply. I am wondering if these can also be extended to other areas of high footfall that are not those specified by her, which is tourist attractions and other areas where the Government could have some influence to have those water coolers installed. That is my first supplementary question.

And secondly, is there any impediment to expanding this more quickly given that we do face a problem in terms of cultivating healthier habits amongst Singaporeans as an important national issue? I think better hydration would help with that. And this conversation I think has been going on for some time and various Members and others in the public have called for more water coolers. Is there any impediment that is holding it back?

Ms Rahayu Mahzam: Mr Speaker, in respect of other areas with higher footfall, it is something that we can certainly take into account and encourage them to install. However, in relation to the mandatory installation which is being proposed, mandatory installation entails regulation, enforcement and other resources that has to be put in place. At this juncture, drinking water is potable and it is something that is available largely from taps and that might not be the direction that we are heading to at this juncture.

Having said that I do see the importance of actually encouraging hydration, but our healthy lifestyle strategies are quite multi-faceted, and we are looking at various dimensions to increase awareness and also implementation of nudges for healthy lifestyle behaviours to the public.

RESOLVING DISPUTES ARISING FROM CONFLICTS BETWEEN TERMS IN LASTING POWER OF ATTORNEY DRAWN UP IN SINGAPORE AND OVERSEAS

14 **Mr Saktiandi Supaat** asked the Minister for Social and Family Development in view of the potential conflicts and legal disputes that may arise between a Singapore Lasting Power of Attorney (LPA) and an equivalent instrument executed in a foreign jurisdiction (a) whether the current legislation requires an LPA certificate issuer to enquire if a donor has previously executed a LPA or a similar instrument in a foreign jurisdiction; and (b) if not, whether such a requirement can be considered as part of the legislation.

The Senior Parliamentary Secretary to the Minister for Social and Family Development (Mr Eric Chua) (for the Minister for Social and Family Development): Mr Speaker, the Mental Capacity Act and Mental Capacity Regulations do not require Lasting Power of Attorney Certificate Issuers, or LPA CIs, to enquire if a donor has previously executed a foreign LPA or an equivalent instrument. We do not expect such scenarios to be common and are mindful to keep the LPA application process simple.

Nevertheless, we note the suggestion raised by the Member and will take it into consideration when the legislation is next reviewed.

Mr Speaker: Mr Saktiandi Supaat.

Mr Saktiandi Supaat (Bishan-Toa Payoh): Thank you, Mr Speaker. I would like to thank Senior Parliamentary Secretary for his answer. I have just one supplementary question. Some of the participants in the LPA value chain have given feedback on the concern that LPA Certificate Issuers are merely rubber-stamping. While I do not think so, there is a possibility that that may happen in the future, especially in relation to LPA applications with the Government's push towards more LPAs and enhancement of knowledge of LPAs.

So, can the Ministry consider looking into publishing more detailed guidance on the duties and responsibilities of Certificate Issuers in the making of LPAs? I think the LPA certificate issuers play a major role in terms of safeguards to ensure that LPAs are effective and not being used as a tools of court litigation going forward as well.

Mr Eric Chua: Mr Speaker, I thank the Member for his supplementary question. I fully agree with the Member that the role of the LPA Certificate Issuer is not merely to rubber-stamp the LPA application. In fact, LPA Certificate Issuers play a very key role in the entire process.

First of all, who can be a CI? It is not any Tom, Dick or Harry who can be a CI. You have to be a medical practitioner that is accredited by the Public Guardian, or you have to be a practising lawyer or you have to be a registered psychiatrist. So, first of all, the qualification to be a CI is already one step in ensuring that this is a professional service that is provided. And this process is an important safeguard in the LPA application process.

What does a CI need to do in the entire process of discharging his or her duty? First of all, the CI has to meet the donor in person. We have required this as a safeguard because the CI needs to play a few roles and one of which is to make sure that the donor is of sound mind, understands the intent and the scope of the LPA, and at the same time, verify that the donor is not induced by fraud or is under any undue pressure to make the LPA. In that meet-up process, the CI also verifies the donors' identity. I shall not go into details of how this is done. Thereafter, when all these steps have been made, the donor then digitally signs the LPA in the presence of the CI.

For this entire process, the CI must keep clear and detailed records of the steps that had been taken in order for him to ascertain the mental capacity of the donor and how he has arrived at this conclusion that the donor has mental capacity.

These are guides that have been given to the CIs. But we take the Member's suggestions that we can perhaps beef up the guide that is currently being provided. For the Member's assurance, we do currently have regular sessions where we meet up with the CIs through their respective professional organisations to reiterate the important role that the CIs play in this process.

FINANCIAL LOSSES SUFFERED BY EDBI AND TEMASEK HOLDINGS DUE TO LIQUIDATION OF ZILINGO

15 Mr Leong Mun Wai asked the Deputy Prime Minister and Minister for Finance (a) how much are the financial losses that EDBI and Temasek Holdings accrued respectively from the recent liquidation of Zilingo; (b) how many companies have received fundings from both EDBI and Temasek; and (c) what are the similarities and differences in the criteria that EDBI and Temasek use to assess the financial and corporate governance risks posed by startups they have invested in and the measures taken to mitigate these risks.

The Senior Minister of State for Finance (Mr Chee Hong Tat) (for the Deputy Prime Minister and Minister for Finance): Mr Speaker, EDBI is the corporate investment arm of Economic Development Board (EDB) and its mandate is to invest in globally competitive startups and high-growth enterprises with the potential to operate and grow from Singapore. Temasek's mandate is focused on delivering sustainable returns over the long term and it invests across all stages of the business life cycle, from early stage to mature, as well as unlisted and listed companies.

EDBI and Temasek invested in Zilingo from 2018 to 2020. These investment decisions were made independently by the two entities to fulfil their respective mandates. EDBI and Temasek typically do not comment on their investments in specific companies, or the performance of these individual investments. The Government's approach is to review the overall performance of EDBI's and Temasek's portfolios, rather than the performance of specific investments, to ensure that they are meeting their respective investment mandates.

As established investors, EDBI and Temasek recognise the inherent risks of investing in startups and take steps to mitigate these risks. Both entities follow industry practice to assess financial and corporate governance risks, such as having a structured due diligence process and engaging the management of investee companies to monitor their business strategy and performance.

Mr Speaker: Mr Leong.

Mr Leong Mun Wai (Non-Constituency Member): Thank you, Mr Speaker. I would like to ask the Senior Minister of State one supplementary question. Given the recent event, whether Temasek will review their due diligence processes, especially when it comes to charismatic founders and whether they plan to engage founders and the board more regularly to ensure good governance?

Mr Chee Hong Tat: Mr Speaker, we have explained this both in the House and also on other occasions, that for Temasek, for example, they do have a process to assess the risks of the various companies that they invest in, and they will also, as part of this process, engage the board and the management of these companies regularly. For the process to work well, it is important, and I hope Mr Leong agrees with me on this point, that we have to pay attention to what is the performance of the overall portfolio and not just on specific investments because on specific investments, there will be some that will make money and there will be some that will not make money.

REVIEWING ENFORCEMENT MEASURES ON USERS AND SELLERS OF VAPORISERS AND RELATED CONSUMABLES

16 **Mr Shawn Huang Wei Zhong** asked the Minister for Health whether there will be a review of the enforcement measures on vaping users and sellers of vaporisers and consumables.

17 **Mr Saktiandi Supaat** asked the Minister for Health (a) whether the Ministry considers the outright ban on vaporisers since 1 February 2018 to be effective in combating the growing popularity of vaping and e-cigarettes; and (b) what are the causes for the continued rise in the vaping trend in Singapore over the last three years.

The Senior Parliamentary Secretary to the Minister for Health (Ms Rahayu Mahzam) (for the Minister for Health): Mr Speaker, may I have your permission to answer Question Nos 16 and 17 in today's Order Paper together?

Mr Speaker: Yes, please.

Ms Rahayu Mahzam: The harms relating to e-vaporisers are clear and Ministry of Health (MOH) takes a multi-pronged approach to curb the illicit sales and use. The Health Sciences Authority (HSA) oversees enforcements and works closely with the Immigration and Checkpoints Authority (ICA) in relation to illegal imports of e-vaporisers. In schools, MOH and the Health Promotion Board (HPB) work with the Ministry of Education to raise awareness about the harms of vaping and encourage children and youths to lead a nicotine-free lifestyle. Schools take a serious view of vaping.

However, we have seen a worrying trend in the increasing use of e-vaporisers both locally and globally which could be attributed to the packaging and the variety of attractive flavours and scents and the easy access to e-vaporisers through e-commerce. There are also common misconceptions regarding the harm of e-vaporisers.

MOH is closely monitoring the use of e-vaporisers and reviewing the strategy against vaping. We will work with our partners to strengthen both enforcement and education measures to curb e-vaporiser use.

Mr Speaker: Mr Shawn Huang.

Mr Shawn Huang Wei Zhong (Jurong): I thank the Senior Parliamentary Secretary for the answer. I have several concerned residents and parents and despite the current efforts – education, outreach, enforcements – there is still an upward trajectory. So, I would like to ask the Senior Parliamentary Secretary what more can be done to reverse this trend and if you have done sufficient – given enough effort to reach out to our youths, to educate them on the adverse effects?

Ms Rahayu Mahzam: I thank Member for his question. Indeed, it is a problem that we are also very concerned about, which is why we are working very closely with the different partners at different parts of the equation. Upstream, HSA is looking at enforcement, looking at the online social media spaces, we are looking also – sorry, at the social media platforms. We are working with ICA to stop the illegal imports and with schools, HPB is also working in educating students about the harms of vaping. So, this is an ongoing review that we are looking at.

There is a larger effort in looking at the tobacco control measures. This is something that we probably have to take multi-faceted approach and also to walk together with the public. This awareness is something that we have to push through a lot more. There is a lot of misconceptions about the vaping being, perhaps, less harmful. It is actually a starter product that actually opens up doors to tobacco consumption and smoking and we need to have a harder push but we need efforts from all fronts – from parents, from teachers, from schools, from the community to encourage this effort. We are also rolling out a digital vape-free campaign and we are also hoping to get support from the community on this.

Hopefully, with all these efforts, we will be able to build greater awareness and create better enforcement so that we can reduce the incidence of vaping amongst our young.

TREND OF VAPING AMONG SCHOOL AND TERTIARY INSTITUTE STUDENTS

18 **Dr Wan Rizal** asked the Minister for Education (a) what is the current trend of vaping among students in primary, secondary, pre-university institutions and Institutes of Higher Learning (IHLs); and (b) what measures have been put in place by schools and IHLs to address the issue of students vaping on school and IHL premises.

The Minister of State for Education (Ms Gan Siow Huang) (for the Minister for Education): The Ministry of Education (MOE) takes a firm stand against vaping. We work closely with the Health Sciences Authority (HSA) and Health Promotion Board (HPB) to educate students on the harmful effects of using imitation tobacco products, including e-cigarettes and e-vaporisers. In schools, students learn about Singapore's laws and regulations on vaping and the consequences on individuals, families and society. Students in MOE schools also learn to recognise impulsive and addictive behaviour and are equipped with skills to say "no" to e-cigarettes and e-vaporisers as well

as strategies for self-control and to manage negative peer influences. The Autonomous Universities (AUs), polytechnics and the Institute of Technical Education (ITE) also raise awareness among students about the harms of vaping and the benefits of leading a vapouriser-free lifestyle.

When students are caught using or possessing e-vaporisers, the prohibited product will be confiscated, parents are informed and school-based disciplinary action will be taken, including suspension, or caning for boys. They are referred to Student Health Advisors or lifestyle coaches or are placed on cessation programmes by HPB where counsellors will guide them through their cessation journey to effect long-term behavioural change. Recalcitrant offenders may be referred to HSA which may issue them a fine.

ADDRESSING MANPOWER SHORTAGE IN BIOTECH SECTOR

19 Ms He Ting Ru asked the Minister for Trade and Industry (a) whether there is a shortage of manpower in the biotech sector currently; (b) if so, how will the shortage of manpower in the biotech sector be addressed over the next decade; and (c) what are the key areas or levels of seniority in which the shortage of manpower in the biotech sector is most acute.

The Minister of State for Trade and Industry (Ms Low Yen Ling) (for the Minister for Trade and Industry): Mr Speaker, we expect the biotech sector to grow by 8% per annum and concomitantly, its manpower needs, especially for roles such as regulatory affairs and clinical project management.

We are addressing the biotech sector's manpower needs in several ways. Firstly, by expanding the talent pipeline. A*STAR has nurtured a pool of 560 PhD-level talents for biomedical-related sectors to-date, including the biotech sector. In addition, we have a pipeline of 250 A*STAR scholars who are currently pursuing biomedical-related fields of study. The number of students admitted to biotech disciplines in our Autonomous Universities has grown from 1,200 in 2018 to 1,400 in 2021.

Second, we are nurturing talents who not only understand the science but also have the capabilities to commercialise, to fundraise and to scale up their business. We do this through efforts like the SGInnovate's Helix Immersion Programme and the A*STAR's Singapore Therapeutics Development Review (STDR) initiative. There is also the Innovation and Enterprise Fellowship Programme (IFP) which has attracted more than 90 fellows since its launch in 2020 and has seen 50 deep-tech startups, accelerators and incubators participate in its pilot.

Thirdly, we are supporting the industry's need for scientific talent through A*STAR's T-Up programme. T-Up is the Technology for Enterprise Capability Upgrading programme, which has seconded close to 70 researchers and scientists to 45 biotech-related companies.

Mr Speaker: Ms He Ting Ru.

Ms He Ting Ru (Sengkang): Thank you, Mr Speaker. I just wanted to check whether there will be any comments from the Ministry on the SGInnovate report that was published last year about whether there is going to be a widening gap that is projected, I think, 30% shortfall in talent within the next decade or so and whether there are any steps going to be taken to address some of these findings.

Ms Low Yen Ling: I want to thank the Member Ms He Ting Ru for paying close attention to the report which was just recently released and allow me to quickly elaborate on how the Government will take action from the report in terms of boosting the skills and manpower in the biotech sector.

Today, we have tripled the number of companies in biotech related areas compared to a decade ago. We have about 140 companies in Singapore involved in therapeutics, diagnostics, drug delivery as well as drug delivery tools. And to support the vibrant growth of this sector, as indicated in the report, we will continue to boost our talent pipeline all the way from the young university entrants, the entire spectrum to established researchers. I have highlighted some of the numbers about A*STAR PHD talent as well as the A*STAR scholars.

We will continue to do so through targeted programmes and initiatives that build and support the sector's manpower needs. For instance, I mentioned briefly about STDR and this programme is about giving our scientists, our researchers opportunities to develop the skills and ability to fundraise in addition to their scientific talents, to commercialise and also scale up their business.

The Member may be interested to know that between 2015 to 2021 STDR has funded 44 therapeutics projects over seven grant calls, of which 18 projects have been completed.

I want to quickly also elaborate on the IFP that I mentioned because this offers our researchers, scientists and engineers, in fact working professionals, one year to one and a half years of formal and on-the-job training to help them develop entrepreneurial skills and since about two and a half years ago, since 2020, more than 90 fellows from academia and industry have onboarded, with many of them joining the deep tech startups and taking up technology commercialisation roles after completing the programme.

Another one – let me touch on the Helix Immersion Programme. By year 2025, this programme will place-and-train some 100 fellows in bio-tech startups and companies and more recently, just last month, on 13 January, we launched the Deep Tech Talent Central and this is led by SGInnovate and supported by the private and public sector partners. This programme offers apprenticeship for students and mid-career on-the-job training programmes.

So, I want to assure the Member that the Ministry of Trade and Industry (MTI) and our agencies will certainly continue to work closely with the industry, the universities and the stakeholders to follow up on this report to strengthen, boost and also nurture a vibrant and healthy talent pipeline for the growth and the future of our biotech sector.

ASSAULTS AT DORMITORIES INVOLVING MIGRANT WORKERS FROM DIFFERENT NATIONALITIES

20 **Mr Murali Pillai** asked the Minister for Home Affairs in the past three years (a) how many incidents of assault involving migrant workers at dormitories have been reported to the Singapore Police Force; (b) of the number of incidents reported, how many have racial undertones; and (c) what proactive steps have been taken to reduce the risk of such incidents occurring.

The Minister of State for Home Affairs (Ms Sun Xueling) (for the Minister for Home Affairs): Mr Speaker, Sir, there were about 990 cases of assault involving migrant workers at dormitories reported to the Police from 2020 to 2022. These include cases of affray and rioting. A minority of the cases involve persons of different races. As far as we are aware, none were reported to be racially motivated.

The Police work with the dormitory operators on safety and security issues. The operators are required as part of licensing conditions under the Ministry of Manpower (MOM), to put in place security arrangements, including closed circuit television systems and deployment of security officers. The Police also work with the operators to engage dormitory residents on crime prevention and safety and security matters.

3.00 pm

Mr Speaker: Order. The Clerk will now proceed to read the Orders of the Day.

[Pursuant to Standing Order No 22(3), provided that Members had not asked for questions standing in their names to be postponed to a later Sitting day or withdrawn, written answers to questions not reached by the end of Question Time are reproduced in the Appendix.]

AFFORDABLE AND ACCESSIBLE PUBLIC HOUSING, AND PUBLIC HOUSING POLICIES

(Simultaneous Debate on both Motions)

Resumption of Debate on Questions [6 February 2023],

That this House affirms the importance of keeping public housing affordable and accessible while protecting the interests of current and future generations of Singaporeans, and endorses the commitment of the Government to these twin goals. – [Minister for National Development].

That this House calls upon the Government to review its public housing policies in order to deliver affordable and accessible HDB flats to all Singaporeans, strengthen the owner-occupation intent of public housing, protect retirement adequacy and keep public housing inclusive for every Singaporean of each generation. – [Mr Leong Mun Wai].

Questions again proposed.

Mr Speaker: In accordance with the decision of this House to have a simultaneous debate on both Motions, I will now call on Members to make their speeches. Members are allowed to consider both Motions in a single speech. Mr Leon Perera.

3.01 pm

Mr Leon Perera (Aljunied): Mr Speaker, Sir, the two Motions before the House today touch on a subject that is near and dear to Singaporeans – housing.

The first part of my speech will touch on the overarching principles and values that should guide our housing policy.

In the early years of our Independence, HDB flats were built for rental and then later for sale primarily as an affordable home. But today many younger Singaporeans feel that the Singapore dream of a HDB flat is increasingly out of reach, or at least, severely challenging.

I spoke to a young Singaporean recently who will be marrying this year. She tried and failed twice to get a Built-To-Order (BTO) flat in a non-mature estate. Given this, as well as the time factor, she is now looking at resale options, but resale prices are high. On top of the price, the cash plus the CPF upfront component that they need to pay to get a bank mortgage loan, or even a HDB loan is substantial. Both of them are young and have little CPF savings, so they have to seek funding from their parents, who have their own difficulties to cope with, or find other solutions.

In fact, nearly six in 10 or 60% of people want to rent or buy, so they find property becoming more unaffordable, according to a poll of 790 respondents conducted in July last year by a private company that provides online services for home rentals.

Let us unpack this. Why do people feel this way? It is because the most affordable type of HDB flat – the BTO flat – is seeing excess demand, many launches substantially oversubscribed. And that feeling is coupled with another – the high price of resale flat, which keeps getting higher.

The generation that grew up during the heyday of the asset appreciation approach to policy have grown up with the expectation that HDB prices will keep on rising and that this is very, very good. But one simple truth is dawning on more and more Singaporeans. If HDB flat prices rise and rise, that inevitably tends to affect our house prices for the young. That is because land sale values from the state to HDB seem to be influenced by historical sale transactions and that in turn affects BTO prices. The fiscal capacity of the state to provide subsidies out of the Budget is not unlimited. Hence, the HDB flat lessee may realise some capital gain, but his or her children may be struggling in the housing market.

The passing of the years in generational change has made more and more Singaporeans grasp this fundamental reality.

There is another fundamental reality that has not been fully grasped and that is that the resale prices of flats will inevitably hit a point when it starts to decline. Many of us are not so focused on this lease decay issue right now. With the HDB resale market buoyant, it can seem like it is not relevant to the time that we are living in. But it is something Singapore will have to contend with the medium to longer term.

Sir, we are facing the inevitability of lease decay as well as the need to keep housing affordable for the young who are starting families. Facing these two realities, I think the time has come for us to reboot, refresh and reframe mindsets and start thinking of our HDB flats as primarily a home to live in, an affordable home and much less of an asset whose value will rise and rise in the same way that the value of, for example, developed country equities. Stocks and shares have generally risen over the long term. HDB flats are not like stocks and shares.

Framing policies, setting expectations that the price of a flat is going to go up and up and up, and never come down, is not sustainable. Older HDB lessees can see this when their children start to enter the housing market.

Sir, I spoke about the need to keep flats affordable for new families. There are two other reasons to reboot our mindset and move away from the mental model of the HDB flat as an ever-appreciating asset that uplifts generations through property price uplift.

First, if we frame our policies to prompt rising resale values in the belief that monetising that resale value should be one of the main ways we provide for retirement, where does that leave those who do not want to sell and move out?

Many elderly Singaporeans are living in flats worth a considerable sum, but they do not want to downgrade. Some want to stay put in the communities where they have sunk roots, where their friends and relatives are, where they have social capital, where they are familiar with the neighbourhood and its hawkers.

Others may look around at the market for buying a smaller home and find that after deducting brokers' commission, renovation and moving costs, and after factoring in the need to repay CPF accrued interest which more and more sellers are finding that they cannot do, the prospect of downgrading does not release enough cash for the upside to outweigh the downside. Plus, most are unwilling to take up the Lease Buyback Scheme, as most probably they want to leave their flat to their children, who they think will face even higher property prices in the future, which probably explains the scheme's low take-up. Many are unwilling or unable to rent out their flats for reasons of privacy or not having alternative dwellings.

Sir, there are and will be many people who will not benefit from an ecosystem of policies centred on people monetising their HDB flat for retirement.

Secondly, if Singaporeans accept that HDB flat prices will keep rising and rising at a rate that will give them a significant capital gain, that may blunt the drive to do other economically meaningful things – to retrain, to set up a business, to innovate at work, to increase productivity. Markets reward such economically useful behaviours normally. But when greater rewards can be gotten from gaming the property market and flipping properties, the urge to do those other things lessens. The expectation of ever-rising property prices can become the opiate of the masses, depleting our entrepreneurial and innovative impulses.

Rising property prices can also suck away household capital from other uses like financing a spell away from the workforce to retrain or pursue a further degree, for example – something that is very relevant in this age of disruption.

So, rather than focus on rising HDB flat prices to uplift the generations, I believe we should rewire our thinking to once again view HDB flats as, first and foremost, an affordable home to live in. And Singaporeans will get a better and more sustainable uplift if all our minds are focused instead on nurturing an economy that creates better-paying future-proof jobs with a decent career path, including vocational ones and combine that with some degree of national redistribution to offset advantages of birth.

Sir, I come now to the second part of my speech where I pose a few questions to the Government. I have four questions here.

Firstly, and most importantly of all, I would like to ask the Government if it still sees HDB flats as an ever-appreciating asset. More specifically, does the Government designate HDB flats as a retirement asset which necessitates their appreciation of the time even though the inherent nature of the finite lease requires that they must eventually depreciate and expire zero? Is this asset appreciation assumption still the centre of gravity of our housing policy?

There are various statements from the Government on this, and some seem, on the face of it, to be contradictory. There have been statements that prices may keep on rising even after year 70, for example from former Ministry of National Development Minister Khaw Boon Wan in September 2018. And there was Deputy Prime Minister Mr Lawrence Wong's statement in 2017 that resale prices will eventually come down to zero as the lease decays. I will not quote the various statements that could be quoted, due to time limitations. That is my first question.

Secondly, what is the Government's view on the affordability of HDB flats? What in Government policy-making is the boundary line that divides affordability from unaffordability on a metric of housing affordability? One widely used housing portability metric is the median multiple or house-price-to-income ratio. This indicator was a primary indicator of the 1991 World Bank UNCHS housing indicator system and was used as a measure of how affordability by the UN Commission for Sustainable Development. Its use has been publicised by an organisation called Demographia which studies housing affordability. Demographia views a multiple 5.1 as severely unaffordable, 4.1 to 5 is seriously unaffordable, 3.14 is moderately unaffordable and under 3 is affordable.

My Parliamentary colleague, Sengkang Member of Parliament Mr Louis Chua, filed a Parliamentary Question to obtain data as regards HPI for first timers who bought resale HDB flats. HPI in 2022 ranged from 5.7 to 4.2. For those who bought BTO flats ranged from 4.8 to 2.9. The average for BTO flats was four and the average for resale flats was 5.1.

At this point, Sir, I note that the hon Member Xie Yao Quan referred to our 2020 manifesto formula which called for a maximum debt-service ratio selling price for HDB BTO flats in non-mature estates. This cap to the debt-service ratio applies to all flat types, including 5-room BTO flats. There are other elements in the formulation, such as a cap to loan tenure and further discounts for 2- to 3-roomed flats in that manifesto formulation.

Mr Xie's example compares median 4-room BTO flats in non-mature estates to our maximum cap. That is not an apples-to-apples comparison. Our position now of three, or close to three HPI for BTO in non-mature estates that my hon friend Assoc Prof Jamus Lim explained is developed based on new information derived that my hon friend, Sengkang Member of Parliament Mr Louis Chua, from his Parliamentary Question, that first-time applicants collecting keys for BTO flats had a median household income of \$7,700 per month.

We believe that it is useful to refocus the conversation on first-timer median income, not national household median income. Hence, the Workers' Party view that we should aim for HPI of three or close to three for non-mature BTOs as a function of first-timer household income.

Annex 2, which Minister Desmond Lee circulated, puts the HPI for BTO flats in non-mature estates now at around 4.5 for 3-room flats and 5.5 for 5-room flats.

Sir, I repeat my question on what the Government defines as unaffordability going by HPI. Does it view, for example, anything under an HPI level of six as affordable, or HPI level of five as affordable? To be sure, I am not saying that the Government should accept the Demographia classification, but the Government should clarify what its stance on the HPI is.

My third question is on planning sufficient supply of HDB flats for new household startups. Member of Parliament Louis talked about this. Clearly, the rate of formation of new households as a result of marriages, or even other kinds of events like divorces, is not something that changes drastically from year to year. It is demographic data that does not see sudden or radical changes in general. The Government controls most of the land in Singapore and hence, does not face impediments in terms of being able to acquire land to build HDB flats, unlike in many countries.

Why then do we get into situations where the supply of HDB BTO flats cannot keep up with demand. Where there is excess demand such that BTO projects are oversubscribed at increasing ratios as my hon friend, Louis Chua, has expanded on in detail and much demand that would go to BTOs ends up going instead into the resale market leading to resale price spikes? Why does demand and supply get mismatched? It is not just due to COVID-19 delays. This happened in the pre-COVID-19 past, too, at times. It would be useful if the Government can share its perspective on this and also share what it does to research and plan ahead to match supply with demand.

My fourth and last question to the Government is on the link between housing and our total fertility rate, or TFR.

It is often said that economic factors like house price are not the only factor affecting the willingness of couples to have children. Talking to many of my constituents in Serangoon ward and Aljunied GRC and fellow Singaporeans over the years, I am of the view that while not being the only factor, it is a very important factor indeed.

I recently spoke to a constituent in Serangoon. She had married recently. Both the husband and wife are university graduates. Surveying their housing options, she felt that the burden of debt to acquire a decent home was so high that they were unsure as to whether to bring children into the world if they did not have the economic means to give their children all the support they would need to thrive in Singapore.

Hence, I would like to ask the Government if it takes seriously the possible linkage between TFR and housing access and affordability. Has it studied the effect of rising and high house prices on our TFR?

A PhD student at NUS Kidjie Saguin in a paper she authored for the Asian Development Bank Institute in March 2021 found a statistically significant link between higher resale prices and lower TFR in Singapore. Surely, this is a question that can be addressed through economic modelling, regression analysis and so on. Has the Government studied this and shared data on this? If it has not studied, would it do so?

This brings me to the third and last part of my speech where I will share two concrete suggestions to improve accessibility and affordability for HDB housing.

First of all, Sir, I would like to suggest that the Government consider building some BTO flats sold at 70-year leases with the option to top up to another 29 years. This will allow BTO flats to be sold at a lower price. Such flats may also will better suit the life plans of many buyers.

For example, someone aged 50 may buy such a 70-year-lease flat at year 20 because they want a shorter lease and they do not expect to live beyond 100, or those who may want to stay in the same flat for life may also find this attractive.

This would be another addition to the HDB ecosystem that widens choice to Singaporeans who may want very different things at different stages in their lives. In this proposal, payment for the optional additional 29-year period is made only upon the exercising the option, but the option payment is locked in from the day of the initial purchase.

This option should be exercised not later than five years before expiry of the initial lease period. This would allow a five-year planning window for HDB to decide how best to deal with the site.

Certainly, tiered BTOs like this would be sold at a significantly cheaper price due to the shorter lease duration. That cheaper price may make possible a shorter loan duration, which many would welcome as being less risky, given the vicissitudes of life. The CPF funds saved thereby would get compounded in the buyer's CPF accounts and boost retirement adequacy.

There is no loss to the state. The state can take back the flat upon lease expiry and it can be put to various uses such as public rental housing or Sale of Balance Flats.

The assumptions and principles behind this new 70+29 BTO flat have some parallels with those behind the Lease Buyback Scheme, which allows leases to be shortened, with some monetary benefit gained for the lessee.

Sir, my second proposal is to build a new class of flats which are built ahead of demand and not Built-To-Order. The core idea in this proposal is actually mooted in this House by my hon friend and Member of Parliament for Sengkang Louis Chua at MND's Committee of Supply last year.

Sir, young couples and families waiting for BTO flats can sometimes wait for four or five years or more. Is this a reasonable expectation for our society to have of newlyweds and new households starting up?

During those years of waiting, the couple will have to find other living arrangements. Many choose to stay with parents but that does not come without challenges, for obvious reasons – challenges that can strain young families. Some would certainly postpone childbearing for this reason. Is this healthy?

Building more flats ahead of demand would create some buffer stock – some redundancy in the system – to allow couples to buy a BTO flat faster without the current wait times.

Sir, I am aware that HDB currently does sometimes build flats without waiting for 70% of the units to be sold. In comments HDB made to CNA in November last year said that it is already building ahead of demand or actual bookings where possible. Since May 2011, it has called for and awarded construction tenders for the majority of BTO projects ahead of the outcome of the flat selection. Minister Desmond Lee also yesterday said that the proportion of Shorter Wait Time BTOs will rise.

My suggestion here is to build more of such advance build BTOs more frequently and to create a special class of flats built ahead of demand as another complementary plank in our HDB ecosystem once market conditions have become normalised from what they are today. These would be flats where there is no requirement to sell before construction starts.

One objection to this proposal is what if the flats remain unsold for a long time? The cost of maintaining those empty flats would be a loss to the state. However, if such flats remain unsold, the selling price could be reduced until we reach a market clearing level where someone will buy – which is how markets operate. The risk of flats remaining permanently unsold is small once you consider this.

Moreover, HDB would obviously conduct market research before deciding to build certain flat types in certain locations, which would lower that risk even more. Unsold flats could also be repurposed for the expanded public rental stock as proposed by my colleague and Member of Parliament for Sengkang Jamus Lim. I am not calling for all flats to be built this way – only some.

Sir, one of the mantras of our industrial development, one reason EDB was able to attract investment in the 1960s and subsequently, was our willingness to build industrial facilities, factories, industrial parks and so on ahead of demand so that investors could start up their factories quickly.

If we can build industrial facilities ahead of demand, can we not also build residential homes ahead of demand to reduce the wait time for new couples to encourage faster new household formation and perhaps childbearing to lift our globally abysmal total fertility rate (TFR)?

I should note that I am suggesting building this new class of built-in-advance flats after we have cleared the we have cleared the current BTO backlog so as not to divert resources away from that task, though planning for that should start early.

Before I end my speech, I have some clarifications for Minister Desmond Lee and his Annex 9, which compares the house price index (HPI) in Singapore to several cities with very high house prices such as London, Los Angeles and Sydney.

My question is: are the HPIs in these cities based on all home transactions, including landed homes in those cities? Would the Minister have the HPI in those cities for apartments with the same average square footage as HDB flats in Singapore? I think that would be a more useful apples-to-apples comparison and I hope the Minister or the Government can share this information, if possible, during the course of today's debate.

Secondly, would the Minister also acknowledge that people living in London, Los Angeles and Sydney who cannot keep up with high house prices can move to cheaper suburbs or move to a smaller city or another state where house prices are substantially lower whereas in Singapore, people can only do that if they migrate? With that, I end my speech.

Mr Speaker: Mr Xie Yao Quan.

Mr Xie Yao Quan (Jurong): Mr Speaker, I thank Mr Leon Perera for responding to my question yesterday. Just to recap, the Workers' Party's manifesto in 2020 said, and I quote, "HDB BTO selling prices in non-mature estates should be based on a 20-year mortgage, 10% downpayment and monthly repayment of a maximum of 25% of the median monthly household income." So, it is pegged to the median household income.

If I heard Mr Leon Perera correctly just now, the Workers' Party's position is that they should apply to all flats, including 5-room flats. Is that correct?

Mr Leon Perera: The 25% debt service ratio formula expressed in our manifesto in 2020 is a maximum cap. It is a maximum cap. It is not an expression of a target for the average. It is a maximum cap.

Our formulation also has other elements in it, which differ from typical transactions right now – a 20-year loan tenure, 10% downpayment and additional subsidies for 2- and 3-room flats to lower the eventual BTO selling price even more. So, yes, it applies to all flats – that position in the manifesto, but it is a maximum cap.

Mr Xie Yao Quan: Sir, I thank Mr Perera. So, if I hear him correctly, the Workers' Party was suggesting in its manifesto, offering a definition of affordability. That definition is based on median household income applied to all flat types, including 5-room flats, when we know that HDB flats cater to the whole range of Singaporeans up to the 80th income percentile.

So, the Workers' Party's position is basically to peg the definition of affordability to median household income, even for higher-income earners in Singapore.

Mr Leon Perera: As I mentioned to Mr Xie, that formulation was a maximum cap, not the expression of where the average should be targeted at. So, I am not sure I fully understand his question. But he is referring to the 2020 manifesto's formulation that we gave and I would remind him that it includes various elements which he did not allude to – a 20-year tenure, a 10% downpayment and additional subsidies for 2- and 3-room flats.

We have said that we believe that three or close to three is the right HPI target for BTO in a non-mature estate.

So, I would like to ask Mr Xie what is the point that he is trying to make and also, I would like to ask Mr Xie what is his view on affordability? Where would you draw the line? At what level of HPI between what is affordable and what is not affordable?

Mr Speaker: Mr Xie Yao Quan.

Mr Xie Yao Quan: Well, Sir, I think the point is this that according to Mr Perera's clarification, the Workers' Party's proposition of pegging the highest flat type – a 5-room – to median income, basically must mean that the cost of a 5-room flat for higher-income Singaporeans must come down. That must be funded in some way. I think it is reasonable to assume that a proposal to peg housing price to median income must be based on a median flat type.

If Mr Perera is proposing that the highest flat type must also be pegged to median income, then I would like to ask Mr Perera just how exactly does he suggest funding this – because it must mean that the price of a 5-room flat must come down to a median income level.

Mr Leon Perera: As I clarified several times, I am not sure why there seems to be a disconnect here. That formulation in the Workers' Party's 2020 manifesto was a maximum cap for 5-room flats. It is a cap that comes about by way of capping the debt service ratio at 25%. Then, you work out a price based on that. There are other elements in that formulation as well. The prices of other types of flats would follow correspondingly from that maximum cap which would probably apply for a 5-room BTO.

To address his question on funding, if you listen to the proposals that we are making in this debate in totality, we have spoken to that question. We have spoken, for example, about the approach to land valuation that can be taken. So, I think we have got proposals that addressed how these things are going to be funded. And I would remind Mr Xie again that our position is aiming to three or close to three HPI for BTO in a non-mature estate.

I would like to ask Mr Xie again because he has not replied to me – what does Mr Xie feel is the boundary line between affordable and unaffordable? What is the HPI? I would like to know what the Government's view is but I would also like to know what Mr Xie's view is.

I have another question for Mr Xie as well. Does Mr Xie Yao Quan acknowledge that if we have a mental model of ever appreciating house prices and then we have a model of valuing land based on comparables and historicals, the tail is wagging the dog? We will get an escalation of prices going on for a long, long time. That will mean that if we want to keep BTO prices stable, we have to increase subsidies more and more and more. I would like to ask Mr Xie where the money for those subsidies is going to come from in this model, if he believes in that model.

Mr Xie Yao Quan: Sir, I think this has been useful and I think it is what is clear from the Workers' Party's position is that they are proposing to peg the price of a 5-room flat that is not our median flat type to the median income and to then peg subsequently a 4-room flat, a 3-room flat – a 4-room flat being a median flat type at something that is lower than median income.

This is something that is useful that has come up and I think we can debate on that. But to Mr Perera's question, I agree with the Minister that our housing prices for non-mature estate BTOs are affordable. I would like to ask Mr Perera what his benchmark for affordability for a median non-mature 4-room BTO flat is.

Mr Leon Perera: To Mr Xie, I would reply that I have stated what that criteria of affordability is several times in my speech and several times in my exchange with you. It is a HPI of three for a BTO in a non-mature estate.

I would like to clarify Mr Xie Yao Quan's position. You are saying that the current HPI for BTOs – you feel that this is affordable, basically.

You did not answer my other question, which is if we have an ever appreciating cycle of property prices that lead to higher BTO prices because the land valuation goes up and we still want to keep BTOs affordable, that needs bigger and bigger subsidies from the Budget. I think \$1.5 billion, it has gone up to close to \$4 billion and it is going to go up even more. So, where does Mr Xie think the money is going to come from?

Mr Speaker: I would like to move on. Mr Murali Pillai, do you have any clarifications? I understand you have some clarifications.

Mr Murali Pillai (Bukit Batok): Thank you, Sir. I thought I would be outstaying your welcome by asking.

Mr Speaker: Both of them have outstayed their welcome, not you. Not yet.

Mr Murali Pillai: Just a short clarification for the hon Member Leon Perera. He mentioned that one of the reasons people do not want to use the Lease Buyback Scheme was because they want to fund the purchase for their children's flat. May I just ask for the source of this reason, having regard to the fact that in November 2022, this question was asked in the House and the hon Minister has given a comprehensive answer?

One of the major drivers is that these people would find that their retirement needs are met and therefore they do not need to enter into Lease Buyback arrangements. That is the primary reason. Secondly, there are other schemes that the Government avails to seniors, such as the Pioneer Generation Package and so on, which allows them to meet their expenses.

Mr Leon Perera: I thank Mr Pillai for his clarifications. This was referenced in the Workers' Party "HDB Reforms" paper. We had a section of it where we talked about what is the available evidence at the time the paper was written – which was November 2022. So, what is the available academic evidence out there were the reasons why the take-up rate for the LBS has been so low. My understanding of that is that there is some qualitative research that suggest that the bequest motive, parents wanting to leave the flat to their children, is a very, very important reason. I am not aware of any statistical survey that has been done – to be fair to Mr Pillai's question – but I believe that there is some qualitative evidence on the table.

Certainly, from my conversations with constituents, with Singaporeans who are in that older category who would qualify for the LBS, I have found from those conversations that many of them are very worried about an environment of ever-increasing property prices that their children will have to face in later years. And therefore, they want to keep that flat, pass on to their children, in view of their lack of confidence that houses will continue to be affordable for their children. That is my sense of it.

The second question that Mr Pillai asked was — there was only one question? Okay. So, I think in my speech, and to address Mr Pillai more holistically, other than wanting to leave your flat to your children, there is also the fact that not everyone wants to rent out their flat or is able to rent out their flat. In other words, not everyone is able to monetise their flats. So, if we build an ecosystem of policies where monetising your flat – because the price is high and appreciating – monetising your flat is going to be one of the key planks of retirement adequacy. Those people who want to keep the flat for their children, those people who do not want to tap on LBS, do not want to rent out their flat, will not be able to benefit from that plank of retirement adequacy. So, that was the point of my speech.

Mr Speaker: Mr Raj Joshua Thomas.

3.32 pm

Mr Raj Joshua Thomas (Nominated Member): Sir, with 80% of our population living in public housing, today's Motions are of paramount importance to Singaporeans, as it affects the majority of us on something so fundamental as the roof above our heads.

I have considered very carefully the motions put up by the hon Members Mr Leong Mun Wai and Ms Hazel Poa, which I will refer to as the "PSP Motion"; and that put up by the hon Minister for National Development, which I will refer to as the "Government's Motion".

The points raised in the PSP Motion are, in my view, raising correct objectives for public housing. Affordable and accessible public housing, preserving the owner-occupant nature of it, ensuring that retirees have access to public housing and keeping it inclusive are all ingredients of a successful public housing policy. The PSP Motion calls for a review of policy is also not objectionable – government policies should be reviewed from time to time. And it is precisely the role of Parliament and Parliamentarians to point out areas of public policy that should be revisited and changed if they are not working or not working optimally.

However, I find that I am not able to support the PSP's Motion because the manner it is worded suggests that the Government public housing policies at this point do not deliver on these objectives or do not even have these as objectives.

The operative two words in the PSM Motion is "in order". I quote: "That this House calls upon the Government to review its public housing policies in order to deliver affordable and accessible HDB flats". The use of the words "in order" suggests that existing policies do not deliver the objectives. While I agree that certain aspects of Government policies should be reviewed, I simply cannot agree that current policies do not aim to provide accessible and affordable housing or that they do not look at providing for retirees and so on.

In fact, even a cursory review of public housing policies would show that all of the points raised in the PSP Motion are actually explicitly stated objectives. These rebuttals have been made by the Government and speak for themselves.

I further do not agree with the hon Members Mr Leong's proposal in his speech, in particular, that buyers be exempted from paying the purported land cost of their flats until they sell their flat. I will elaborate on why I disagree with this.

I will therefore support the Government's Motion but I would also like to make several observations and suggestions on public housing.

My first point is that affordable public housing should not be seen as cheap public housing and that accessible public housing does not mean that everyone will be able to get a flat in their choice location at the time that they may want it, devoid of other considerations.

As a small country with land scarcity, high level of development and general affluence of our population, we cannot expect that property prices would be anything else than fairly pricey. And this will be so whether it is public housing or private housing. Affordability and accessibility should be created by Government policies like grants, the provision of HDB loans, where possible, waivers of certain requirements and flexibility in imposing eligibility criteria, for example. Accessibility is also created by varying, amongst other things, lease tenure and limiting certain types of flat to only certain categories of buyers, like flats for the elderly.

My second point is that public housing has to go beyond just affordability and accessibility. The PSP Motion mentions retirement and inclusivity. Indeed, public housing policies are not merely about bricks and mortar and the cost of flats, but it is also a set of social policies that aims to achieve various objectives.

If we look at one such policy – the Prime Location Public Housing scheme, which gives higher subsidies for flats in prime locations like the Greater Southern Waterfront, so that they become more accessible to a wider range of Singaporeans. As the hon Minister said when launching the scheme, without Government intention, only the well-to-do would be able to afford housing in attractive locations and that the Government was determined not to let such stratification and segregation happen, as it has successful cities. In this regard, to ensure inclusivity, rental flats would also be built within these prime estates.

My first impression reading about the scheme when it was first mooted was that some buyers would strike a lottery if they win the ballot for these flats, as, after having taken advantage of the higher subsidies, they would be able to get a windfall when they sell the flat after the Minimum Occupation Period. This would be hardly ideal.

However, when the scheme was eventually rolled out, the Government layered a safeguard against precisely this "lottery effect", including a higher Minimum Occupation Period and a subsidy recovery mechanism even when the flat is sold after a 10-year period. As such, thought had obviously been put in such that while pursuing the objective of inclusivity, other undesirable consequences do not inadvertently arise.

But another aspect that public housing policy as a social policy should take into consideration, is how to give effect to the aspirations of Singaporeans for upgrading. As we all know, Singaporeans have an almost innate desire for upgrading our property as we earn more and as our families grow larger. In this regard, it is also important to create opportunities for upgrading within the public housing milieu, including the possibility of upgrading by getting a bigger flat or a flat in a better location.

This brings me to my third point – that HDB must continue to show value to buyers. Even as I say that prices of public housing will continue to rise due to Singapore's characteristics, HDB should continually look to building and selling flats of a high quality and also of diverse types to cater for all Singaporeans.

The Prime Location Scheme was one such example that I had raised. In Punggol, there are beautiful, new seafront flats, of which I am sure the view is absolutely amazing. There is also a need to accommodate the elderly, which includes downgraders – silver Singaporeans who wish to downgrade from their private properties or larger flats, as their children move out or as their mobility is reduced. Singles are another group and many not look not to buying just small two room flats, but larger flats as they may wish to also house their parents or to just have more space for lifestyle.

HDB must look into all of these aspirations – from the practical like ageing and retirement to the aspirational like upgrading and lifestyle; and for some, the desire for a fantastic view. This must be so, because our public housing cannot be, like in other countries, basic. With 80% of our population living in public housing, it is a diverse group with a range of income, priorities and aspirations.

My next point is to caution about generalising about public housing, based on a few cases or news reports. An example is the increasing number of flats being sold above \$1 million in the resale market. If we look at these flats, they have a particular nature. They are larger and they are in choice locations. They also make up a very small proportion of the total number of sales – I understand just between 1% and 2%. Their impact on the price of new flats or resale flats that do not have these characteristics, is minimal.

As such, while these make the headlines, they are not indicative of flats, in general, becoming unaffordable.

Another example is that of the flat being put up for sale without the buyer having ever occupied it. Based on what the Ministry and HDB has said, these are rare cases of abuse and there are penalties that can be applied to such incidences. One swallow does not make it spring and these outliers do not mean the public housing system has failed. There will always be people who will try their luck at these things. What is important is that they are caught and they are brought to task.

Let me now address the hon Member Mr Leong's proposal that HDB owners pay for the purported land cost of their flats only when they sell their flats – the Affordable Homes Scheme. The idea is that if these buyers occupy the flats for their entire lives, that they would essentially never have to pay for the land cost, and that this would make flats affordable at the outset.

First, let me say that I imagine that this proposal arises from Mr Leong's fixation with land cost and his fixation with the payment made by the Government to the state as consideration for state land. If we recall Mr Leong's earlier proposal in December, it was that, and I quote "Land costs should be take out of the picture". He had also proposed that HDB flat prices should account only for construction costs and price differences between locations. Mr Leong had also separately suggested that land could be sold at historical rates.

The hon Minister had addressed these proposals in Parliament last month and explained how this proposal would amount to a raid on the reserves.

Mr Leong now makes a different proposal – that the land cost be paid only when the flat is sold. So, it appears that he has accepted the Minister's explanation that land cost should, in fact, be "part of the picture", as it were, but that payment for it should be kicked down the road, albeit with interest. This proposal fails on several fronts.

First, if it is a matter of the Government purchasing the land first but not charging it when it sells the flat, it means that the Government will become a de facto creditor to all persons living in HDB flats who have not sold their property. And the question arises whether the Government should be essentially lending money to citizens in this way.

Second, it means that when a person sells their flat, they may be left with nothing or even a deficit – because interest continues to run as long as they live in the flat. So, their debt to the Government actually grows larger over time and this could become a disincentive to remain in the flat.

Related to this is what is the rate that interest should be fixed at – because anything lower than the fair market rate would mean that the Government is being deprived of a certain amount of money that could be used for expenditure in other areas that could benefit a larger number of people.

Third, even if a person lives in the flat for his whole life, he is unlikely to live longer than the period of the 99-year lease. What then would happen when he passed away? Is the cost of the land to be borne by the purchaser, the inheritor, or will the land cost merely disappear? None of these options is acceptable.

All these questions arise, of course, in a model where the Government pays the state for the land first, then sells the flats once they are built on the basis of the proposed scheme. However, it appears that Mr Leong is actually suggesting that the state not be paid first but only once the buyer sells his flat. Because Mr Leong mentioned that the payment would be made back into the past reserves.

Sir, this is an even more difficult proposal because it will again result in a raid on the reserves because the value of the land should be determined, to my understanding, at the point that the transaction occurs – not what the historical cost of the land is, even if interest is applied to it. It is simply wrong and it is not the way that the reserves work.

In this regard, although Mr Leong started his speech by saying that he would like to propose a reset of housing policies, in fact, Mr Leong is proposing a reset of much more, including the entire system of how our reserves are maintained and managed. He is proposing to turn the system that has underpinned our financial stability on its head.

But, Sir, arising from these Motions, this debate and the various proposals by Mr Leong, is a larger question of democratic accountability and the nature of politics and political debate in Singapore. Over the Chinese New Year period, while chatting with friends at gatherings, this issue of public housing and land costs came up more than once. I was disappointed when some of my friends and relatives said that, well, paying for state land is simply a matter of left pocket, right pocket; and that Mr Leong's original proposal of excluding land costs would make sense.

This, Sir, is a sad instance of where something incorrect is repeated oft enough, it becomes to believed to be the truth. In fact, in his speech yesterday, Mr Leong continued to conflate the Government's accounts with the past reserves.

But coming back to these Chinese New Year gatherings, I took pains to explain to them that this is not a matter of left pocket, right pocket. In fact, it is a matter of two completely pairs of trousers worn by two completely different people. The hon Minister had given his explanation on precisely this last month. For me, it is intuitive, because many years ago, I worked in the Singapore Land Authority, in the land sales department. So, to me, I could understand immediately.

But what is the reality of how it will be received by the public?

When faced with a correct but more technical and complex explanation as the Minister had made, which may take some time and thought to understand, as compared to an incorrect but simplistic and far more delicious proposition, I expect that the delicious proposition, the nod to a populist position, will have more traction and agreement amongst the public. But it will create confusion and misunderstanding of Government policies and it will create unreasonable expectations.

This, Sir, of course, is a larger question of how we want our politics to evolve, what is the level of democratic accountability we expect, whether there can be some sharing of the burden of responsibility, to increase accountability and the accessibility to information.

Coming back to these Motions, Sir, many of our policies are finely calibrated and work in tandem with each other. As I had mentioned, our housing policies are also a set of social and economic policies. It is often meaningless to look at just one factor, criticise it and make suggestions on how to change it, without looking at the whole. The PSP Motion and its related proposals does precisely this and I therefore find myself unable to support it. I stand in support of the Government's Motion. *[Applause.]*

Mr Speaker: Mr Gerald Giam.

3.47 pm

Mr Gerald Giam Yean Song (Aljunied): Mr Speaker, a public housing flat should be an affordable home for our families to live and grow up in. The original mission behind the Housing and Development Board (HDB) when it was set up in 1960 was to alleviate the severe housing shortage at that time by building affordable homes for the population.

However, in 1989, public housing flats took on another role as an appreciating asset for their lessees when the Government announced several major policy changes with regard to HDB resale flats.

First, the income ceiling for the purchase of resale flats was removed. This allowed people to buy HDB flats even if they were higher-income earners.

Second, Permanent Residents (PRs) were allowed to buy HDB resale flats. This supported the Government's liberalisation of immigration policies to attract more middle- and higher-income foreigners to come to work in Singapore.

And third, HDB flat owners were allowed to purchase private property for investment purposes.

These measures added liquidity to the public housing market which pushed up prices.

The Government also introduced various upgrading programmes for HDB flats and estates. In addition to improving the living environment of HDB flat dwellers, this also bolstered the view that HDB flats are an appreciating asset.

Flat upgrading was pitched to voters by the PAP during the 1997 General Elections (GE) as a benefit they would enjoy priority for if their precincts voted for PAP candidates. Voters were told that after upgrading, their flats will increase in value. Conversely, precincts that voted for the Opposition risk being placed further back in the upgrading queue.

Soon after the 1997 GE, then Prime Minister Goh Chok Tong assessed that linking the upgrading programme to electoral support was the single most important factor in the vote swing to the PAP and that it was decisive in tipping floating voters in the PAP's favour.

The PAP's votes-for-upgrading election strategy continued into the 2006 election when PAP candidates promised \$180 million of upgrading projects for Hougang and Potong Pasir if voters tossed out the Opposition there and voted for the PAP. Hougang and Potong Pasir voters did not bite the carrot offered.

However, by 2015, Opposition-held wards like Hougang eventually started getting their lifts and flats upgraded. The scheme lost its effectiveness as a political tool. In fact, in my conversations with many residents in Hougang, it was this perceived unfairness that prompted them to vote against the PAP.

It is natural for people to not just desire a home to live in, but also to own an asset which grows in value. Many people think that their salaries alone will not make them rich. Properties, including HDB flats, are seen as very attractive assets to grow one's wealth. For the first two decades of the Government's asset-enhancement policy, the property asset drive mindset worked like a charm. HDB resale flat prices increased 382% in value from 1990 to 2010. Many HDB lessees saw eye-watering increases in their property wealth.

However, this pathway to wealth requires ever-increasing property prices to sustain it. Every property bought would need to be sold for significantly more than the purchase price. Yet, perpetual property price increases are neither sustainable nor in the public interest.

There are currently about 70,000 flats that are more than 40 years old, with remaining leases of 59 years or less. These flats will decline in value after the 50- to 60-year mark, as illustrated by Assoc Prof Jamus Lim yesterday. Those who bought HDB flats in the 1980s and 1990s may be glad to see that their properties have increased in value. However, to unlock the value of these assets, they will need to sell and downgrade their properties before their leases start to decay.

Those with adult children would realise that the situation is much more precarious for their offspring. Many parents of young adults nowadays worry that their young children may not be able to realise the same dream they themselves achieved to own a home of their own.

Those who are better off had gone ahead and bought properties for their children to move in when they get married. Others have migrated to Australia, New Zealand and Canada, where they are able to buy landed property for the price of an HDB flat. But where does that leave the rest of Singaporeans who do not have wealthy parents and want to remain in this country to build their homes, careers and families?

While many who graduated in the 1970s were able to afford a landed home after a few years of work, private properties are now out of the question for most younger graduates. Even resale flats are now out of reach for many of them, leaving BTO flats the only remaining option.

My hon friends Louis Chua, Leon Perera and Jamus Lim have tabled proposals on making the price of BTO flats more affordable. In the remainder of my speech, I will focus on moderating the price of resale flats.

Many young couples buying their first flat prefer to live near their parents. This provides them the familiar surroundings that they grew up in and the companionship they can offer to their parents and vice versa. Their parents are also able to help care for their children when they are at work. Many home buyers also prefer living in mature estates where amenities and transport links to the city are better developed. Only resale flats can meet many of these requirements.

This is also why BTO flats in mature estates are so popular. Many of my residents have approached me to ask me for help to appeal to HDB for priority to get a BTO or Sale of Balance Flat in a mature estate, after trying many times to secure one in balloting exercises and failing. When I suggest using a resale flat and using Government grants to help with the downpayment, my suggestion is often met with great scepticism, because resale flat prices feel so far out of reach for them.

The median house price to income ratio or HPI after grants for first-timer families who bought a resale HDB flat in the last five years was between 4.6 and 5.0. This ratio is the resale flat price divided by the household income of the buyers. According to the International Housing Affordability ratings by Demographia, such a median multiple would be rated as "seriously unaffordable". The median multiple would need to be 3.0 and under to be considered affordable.

This has pushed many of my residents to either rent at high open market rates or compete with other home buyers to ballot for BTO flats.

We need to moderate the growth in resale flat prices. Our goal must be to moderate the growth, not to make the prices collapse, because the latter would negatively affect many existing flat lessees who are depending on their flats as a source of future retirement income.

There are two ways to moderate resale flat price growth without imposing price caps by government fiat. These are: to reduce demand and to increase the supply of resale flats. The Government has already introduced the 15-month waiting out period for private property downgraders to reduce demand. I will focus on measures to increase the supply of HDB resale flats.

There is potentially a large stock of HDB resale flats that can be put on the market. Many seniors live in flats that are larger than what they require after their children have gotten married and moved out. It becomes difficult for them to clean and maintain such a large flat on their own. As at 2021, there were 71,000 flats that are 3-room or larger which were owned by married persons over the age of 65 whose children had moved out.

These flats could potentially be sold on the resale market if their owners are prepared to move into new 2-room Flexi flats on short-term leases. Many of these 2-room flats come with elderly-friendly fittings and nearby amenities, which seniors find quite attractive.

However, not all elderly applicants for 2-room Flexi flats are successful. The application rates of BTO 2-room Flexi flats allocated to elderly households as at September 2022, ranged from 2.0 to 4.6 times in non-mature estates, and 9.9 times in mature estates.

If a larger proportion of the 71,000 senior households decided to sell their flats and buy 2-room Flexi flats, the demand will far outstrip supply. By 2030, 25% of our population will be over 65. The number in need right-sized flats will only grow as the years go by.

The Government needs to provide more help to seniors who wish to right-size their flats by building more 2-room Flexi flats. Doing so will have the twin benefit of increasing the supply of resale flats for new home buyers and moderating their prices.

Another area that the Government should look into to increase the supply of resale flats is to prospectively restrict the concurrent ownership of HDB and private property. Currently, private property owners who want to buy an HDB flat are required to dispose of their property before buying an HDB flat. The Government has stated that this is to prioritise our limited supply of public housing for residents who do not own other properties. However, the reverse is not true – HDB flat owners are allowed to buy private residential property without selling their HDB flat. They can do so if they meet the Minimum Occupation Period and pay the Additional Buyer Stamp Duty (ABSD) of at least 17% on the purchase of their second and subsequent residential property.

The Government has stated that this is allowed because HDB recognises that the financial position of HDB flat owners may improve over time and some may aspire to own private residential property. While I acknowledge that this is a valid aspiration of many higher-income Singaporeans, realising this aspiration cannot come at the expense of less well-off Singaporeans who are only looking for a roof over their heads.

As at October 2022, about 3% of HDB flat owners owned at least one private property. This translates to about 32,600 units. Of these, 45% are not living in their flats. So, there are about 15,000 HDB units which are not occupied by their owners who live in another private property that they own. This represents a not insignificant number of HDB flats that could potentially add to the resale flat supply and moderate the price of resale flats.

I do acknowledge that many of these flats are rented out, adding to the supply of open market rental flats.

Has the Government given further consideration to the possibility of future buyers of private properties being required to sell their HDB flats? When I asked the Minister for National Development in November last year, he said that the Government has been "gathering views from Singaporeans as part of Forward Singapore and will study these as well as other views and ideas carefully".

For those who are already concurrently owning both a private property and an HDB flat, the Government could incentivise them to sell their HDB flat by rebating the ABSD they paid at the time they purchased their private property if they choose to sell their HDB flat. This would encourage private property owners to free up their HDB flats for others who cannot afford to buy private property.

This policy should be prospective so that it will not compel current HDB and private property owners to dispose of any property. It will only affect those who currently own an HDB flat and decide to purchase a private property after the policy takes effect.

If this policy is implemented prospectively, it will not immediately add to the supply of resale flats. However, in the medium to long-term, it will better promote the owner-occupation intent of public housing and better ensure an adequate supply of affordable resale flats.

Mr Speaker, housing is a basic human need. Singapore's public housing policies were a great success in the first few decades after our independence. But the Government got distracted along the way when it started pairing the objective of affordable housing with that of asset enhancement. As a result, public housing has become unaffordable by some international measures. The longer we allow these two objectives to be conflated, the more unaffordable housing will become for future generations. It is time that we stopped kicking the can down the road and focus on HDB's original mission of providing quality and affordable housing for all Singaporeans, especially the lower- and middle-income earners.

Mr Speaker: Dr Shahira Abdullah.

4.01 pm

Dr Shahira Abdullah (Nominated Member): Sir, thank you for giving me the opportunity to speak on this Motion.

At the end of 2020, I began my own journey in looking for a flat of my own to start a family. It was admittedly an exciting time when we looked at all the factors and options we could consider in the public housing domain.

There were many factors we had to consider:

Should we stay in a mature or non-mature estate?

Who will help when we have kids in the future?

Will it make a difference if we do not have a car?

Is the opportunity cost of time due to longer travelling times, for example, be taken into account if we settle for a further location?

Will this be our forever home or will it be a stepping stone to something else?

To complicate things further, due to the effects of the pandemic, there were BTO project delays, which resulted in the rise of resale flat prices. It did make us jittery to see the price going up month on month the longer we took to make a decision.

Buying house is one of the biggest purchases a young couple can make. For me at least, it shone a spotlight on the role of HDB and how has it evolved over the years. And more importantly, moving forward, how will it be in the future?

Since its inception, HDB's goal has been to encourage home ownership by making public housing affordable and accessible. We can see that this has come to fruition as 80% of Singapore's population currently reside in HDB flats, of which about 90% own them.

The last few years have seen many significant and rapid changes to the housing landscape. The effects of the COVID-19 pandemic on supply chain and manpower disruptions have driven up the price of resale flats for the eleventh consecutive quarter as people look for quicker alternatives.

This is a concern, especially for those who cannot qualify for BTOs and ECs but are unable to afford private property. In the recent October sitting in 2022, I had asked about the number of HDB homeowners who have purchased a second private property. In response, it was found that the group made up 3.3% of all HDB flat owners. In the subsequent sitting, it was mentioned that about 45% of this group are not living in their HDB flats as they have rented out their whole flat.

In view of the strong demand in public housing and the high resale prices, will the Government consider HDB flat owners to sell their flats when they purchase a private property to free up more flats moving forward? In this way, we can prioritise couples and families who need a house.

Secondly, executive condominiums (ECs), a hybrid of public and private housing, targeting inspiring middle-class families who are unable to qualify for BTOs but find private condominiums or properties, too expensive. They are subject to an income cap of \$16,000. However, still they qualify for subsidies.

I did a quick check on the DBS home loan website. For couple who is a first-timer with a combined income of \$16,000 which is the cap looking to buy an EC, based on the indicative prevailing interest rates of 3% to 4.25% and the maximum loan period of 30 years, the couple will be eligible for a loan of up to \$975,000 and affordability-wise to purchase a property worth \$1.3 million. However, if we were to take a look at the recently launched Tenet EC, the units actually range between \$1.1 to 2.1 million. Even with the HDB grants, it may still be challenging for the couple to afford the larger unit with a combined income of \$16,000. Therefore, would the Government consider reassessing the income caps for executive condominiums?

Finally, the long waiting time to BTO flats is mainly due to the construction delays brought about by the perfect storm of the effects of the pandemic and less so due to the waiting time to secure a place for a flat as even in non-mature estates, the flats are oversubscribed. Therefore, how can we overcome BTO construction delays and be resilient against such supply chain and manpower disruption in the

future?

HDB taken a bold step forward by embracing new technologies that can accelerate construction and completion times. For example, the BTOs at Tengah are expected to yield a 25% improvement in site productivity compared with other BTO projects. This is promising and paves the way for looking at technology which can create a more resilient construction industry. I commend them on going on this path of research, innovation and hope this can continue.

In conclusion, I still believe that the public housing policy has responded well to the changing needs of Singaporeans over the years. It is heartening to see how the policies have continuously evolved to ensure accessibility and affordability.

Public housing is not just affordability though. The curated shared life experiences in HDBs for social cohesion and diversity are unmatched anywhere else in the world. For that, I support the Ministry's Motion.

Mr Speaker: Ms Carrie Tan.

4.06 pm

Ms Carrie Tan (Nee Soon): *(In Mandarin):* [Please refer to [Vernacular Speech](#).] Thank you, Mr Speaker, for giving me this opportunity to speak. Having heard the debate yesterday and comments on social media, especially after having heard the speeches of Progress Singapore Party (PSP) Members of Parliament, I feel that I should say a few words.

First, yesterday, Member of Parliament Hazel Poa asked why we could not build sufficient flats in one go, like what we have done during Mr Lee Kuan Yew's time. She also asked the Minister whether he thought Mr Lee Kuan Yew had raided our reserves. Her questions surprised me.

Times have changed. At that time, we didn't have a mature HDB resale market, nor did we have much reserves to speak of. What was the point or purpose of her question?

Second, Mr Leong Mun Wai had also spoken about PSP's Affordable Homes Scheme, the purpose of which is to strengthen the principle that a HDB flat is for owner occupation, not investment. However, when he responded to a netizen's comment on his Facebook, he said that his intention was for Singaporeans to keep their CPF money, and not to be "condemned to living in HDB flats" forever because they cannot afford private housing. When I read this, I was very puzzled. What did he mean by saying "condemned to living in HDB flats"?

In Singapore, more than 80% of our citizens live in HDB flats and many of them have been living there for their whole life. We bring up our children in HDB flats and some of us have upgraded from a 3-room flat to a 5-room flat. Many middle-income families are very proud of this. Mr Leong Mun Wai really should not say that people are "condemned" to stay in HDB flats. What is wrong with staying in a HDB flat? By saying so, Mr Leong seems to be subconsciously looking down on those who live in HDB flats.

Since December last year, Mr Leong has kept on changing his stance. First, he said that we should not include the cost of the land into the prices of HDB flats; then he said we should use historical prices; yesterday he said that we could include the land cost, but delay it until we sell, and give it back to HDB together with interests. Within three months, he changed his stance three times. Can such a scheme be reliable?

Shifting stances aside, I tried to give serious thought to his proposal. Mr Leong suggested that when selling new flats, the price should only include building cost, thus reducing the price drastically. Hence, people do not need to spend their CPF money to buy a flat. This is indeed very appealing.

However, if you think twice, you will realise that this will further increase the price gap between BTO flats and resale flats. Looking at the BTO application data last year and considering our "kiasu" mentality, the PSP proposal will only cause more people to apply for BTO flats, because it is a good deal! But the resale market will suffer from lack of buyers, the resale price will fall precipitously. Can Mr Leong be sure that such a scenario will not happen?

If this were to happen, the asset value of current HDB flat owners will fall. How is Mr Leong going to resolve this?

In my constituency in Yishun, there are many Ah Gong and Ah Ma in their 70s or 80s who are thinking of leaving their flat to their children, or selling it and distributing the proceeds to their children, or selling it back to the Government at market price. In this way, they will not only be able to stay in the same flat, but also have spare money to spend for the rest of their life, without the need to depend on their children so much. If we were to implement the PSP's policy, Ah Gong and Ah Ma's asset value will drop sharply. Where then can they get their retirement security?

I can understand the anxieties our residents have been feeling in the past two years. Geopolitical uncertainty, rising prices and the pandemic have made young people, who were forced to stay at home, to want to have their own space more urgently. Construction delay has also made the younger generation worry about if they are able to get a flat. All these anxieties add up to the challenges in getting a flat successfully. It is human nature to feel this way.

However, if we look further, these feelings are all transitory and caused by the special circumstances in the past two years.

We cannot step on the brake suddenly on the government policies and simply reset. What will happen if you brake suddenly? The cars behind will ram into you.

Now the PSP is calling for a policy reset and its proposals are only for immediate convenience, hoodwinking the people with short-term interests. Their so-called policy reforms on retirement security are likely to cause 80% of Singaporeans who own HDB flats to lose their safety net overnight.

I believe Singaporeans are rational. We need to address the immediate challenges with right solutions, not empty theories on paper.

I urge Singaporeans to think over this thoroughly and not try to make hasty changes to important policies because of temporary challenges. Hasty actions will only lead to our forefathers' efforts being wasted away.

To resolve the current issue, I think the Government is right to step up the supply of BTO flats and give young couples priority to get a flat through targeted measures. I support the Motion raised by the Minister for National Development, Mr Desmond Lee.

Mr Speaker: Order. I propose to take a break now. I suspend the Sitting and will take the Chair at 4.35 pm.

Sitting accordingly suspended

at 4.14 pm until 4.35 pm.

Sitting resumed at 4.35 pm.

[Deputy Speaker (Ms Jessica Tan Soon Neo) in the Chair]

AFFORDABLE AND ACCESSIBLE PUBLIC HOUSING, AND PUBLIC HOUSING POLICIES

(Simultaneous debate on both Motions)

Debate resumed.

Mdm Deputy Speaker: Mr Lim Biow Chuan.

4.35 pm

Mr Leong Mun Wai (Non-Constituency Member): Mdm Deputy Speaker, can I make a comment?

Mdm Deputy Speaker: Are you doing a clarification, Mr Leong?

Mr Leong Mun Wai: Yes, a clarification. Because before the break, two Members made certain allegations about my proposals and all that. So, I think I have to make a clarification.

Mdm Deputy Speaker: Please keep it succinct.

Mr Leong Mun Wai: Thank you, Madam. Before the break, the Member Ms Carrie Tan made a speech questioning my stance on land cost and public housing policies that I had discussed on social media. I would like to make a clarification to address this issue.

Firstly, Ms Tan has argued, as Minister Desmond Lee did during last month's Sitting, that I had said that HDB prices should be based on the historical cost of land. Member Mr Raj Joshua Thomas also referred to the same.

Minister Desmond Lee referred to the Facebook post that I make on 8 December 2022, where I said "land cost should be taken out of the picture because much of the land used for building HDB flats were surrendered by the Pioneer Generation to the Government for a relatively modest sum under the Land Acquisition Act, between 1970s and 1980s." This is also in the Hansard. It should be quite clear from this, that I have not called for HDB prices to be based on the historical cost of land.

Secondly, Ms Carrie Tan and Mr Raj Joshua Thomas have tried to imply that I have been flip-flopping on my stance on land cost. What I have just read out is not inconsistent with what I proposed in the Affordable Homes Scheme (AHS). AHS takes land cost out of the picture for people who buy flats for owner-occupation.

I have not pursued the matter up to now because I want to focus on the substance of the debate. But I categorically reject allegations that I have been flip-flopping or made any proposal that HDB flats should be based on the historical cost of land.

Finally, Ms Tan has taken issue with the fact that last night, I wrote on Facebook that Singaporeans are condemned to live in HDB flats. She has taken the quote totally out of context. I was trying to explain to a Facebook comment which said that AHS will condemn Singaporeans to a life in HDB flats – to which I replied that that is not the case because AHS will actually give Singaporeans the opportunity to upgrade, because under AHS, Singaporeans would have more CPF savings in their CPF accounts.

If anyone has taken offence by my choice of language, I retract the use of that word, but the quote that Ms Tan has taken, is out of context.

Mdm Deputy Speaker: Ms Carrie Tan.

Ms Carrie Tan (Nee Soon): Thank you, Mdm Deputy Speaker. I thank Mr Leong for the clarification. I am sure it is reassuring for people to know that he does not look down on Singaporeans who live in HDB flats.

But I just want to offer a clarification in response, is that when I read the response and the question posed by the member of public, in the member of public's words, he was concerned about whether the Affordable Homes Scheme (AHS) proposed by Mr Leong would keep citizens stuck in a particular type of housing. And that was the exact word that the citizen said in the Facebook comments. He said "stuck". But it was Mr Leong who responded with the word "condemned", so that is all I wanted to clarify.

Mdm Deputy Speaker: Ms Hazel Poa, are you making a clarification?

Ms Hazel Poa (Non-Constituency Member): Madam, in Mandarin, please.

(In Mandarin): [Please refer to [Vernacular Speech](#).] Just now, Member Ms Carrie Tan asked me what is the point of talking about reserves when there were not any at that time? What I am saying is that reserves are not just money; state land also forms part of our reserves. Several Ministers have educated the House many times on this. Does the Member Ms Carrie Tan not agree with this?

Mdm Deputy Speaker: Mr Lim Biow Chuan.

4.41 pm

Mr Lim Biow Chuan (Mountbatten): Mdm Deputy Speaker, I rise in support of the Motion by the Minister for National Development. I believe all Singaporeans want housing to be affordable. That has always been the commitment of the People's Action Party (PAP) Government. The PAP Government has committed that they will price new flats at affordable prices, so that Singaporeans are able to provide for a roof over their heads when they want to start a family. The way that they have done so is through the sale of Build-To-Order (BTO) flats.

If we look at the prices of BTO flats in the non-mature estates, many of the flats sold are indeed affordable. Minister Desmond Lee has shown that the median prices in his charts yesterday, the average price of a 4-room BTO flat in a non-mature estate is kept at \$342,000. For those who are lower-income, they can opt for a smaller 3-room flat, and in addition, obtain even more generous housing grants. And I have seen many such cases when I refer my residents to HDB during the Meet-the-People Sessions (MPS). These are actual figures; these are actual facts.

And these prices that Minister Desmond Lee had quoted are before the Government grants. When you factor in all the Government grants, then it is within the range of most home buyers. That is the reason why the majority of Singaporeans live in HDB flats which they have bought and which they have lived in. If HDB flats are not affordable, then simple put, Singaporeans will not be buying these flats as they will be priced out of their budget.

There are a few recent developments in my constituency – Dakota Breeze, Dakota One, Dakota Crest and Pine Vista. Every one of these BTO launches were over-subscribed, even though the prices of the flats in mature estates were priced slightly higher. In fact, I received many, many appeals from residents asking whether they can get priority for these BTO flats.

I believe the reason why these flats are in high demand is because they represent good value-for-money for that location and they are affordable to the applicants. One would not apply for a BTO flat if they feel that they cannot afford it.

In December last year, HDB released a press release to explain that HDB flats are priced with affordability in mind. HDB does not apply a profit margin on costs. They look at household incomes, they look at the selling prices of flats on offer.

Despite the media release, there are still people who may not be aware of the way HDB flats are priced. Hence, it is important that HDB conveys the relevant information to members of the public, so that the public knows that the Government prices the flats so that they are affordable to residents.

I heard Mr Leong Mun Wai's speech yesterday and his proposed Affordable Homes Scheme (AHS) model. Mr Leong's proposal to charge for land upon sale simply does not make sense to me. He proposes that when the flat owner sells, the owner would be charged for the land costs, presumably at full cost calculated at the time of buying the flat. If HDB is not fully pricing for land when selling the flats, then surely, Mr Leong's proposal will result in a much higher charge to the owner when he sells the flat. How is the owner supposed to cough up the land costs when he sells the flat? Surely, he must pass on the costs to the next buyer.

But then, why would anyone wish to buy the resale flat if they can get a much cheaper flat from HDB, which according to Mr Leong, is construction costs plus a notional location premium? He did not give any information about how he would price the location premium and whether this would make the flat even more expensive. No information. But it also begs the question, why does PSP want to charge a flat owner for land cost when HDB currently prices its BTO flats based on affordability and they apply significant grants on top of this? How does that make the flat more affordable for the flat purchaser under the PSP scheme?

Today, the amount buyers pay HDB is much less than land cost plus construction cost. The deficit is made up under the MND budget.

Under PSP's proposal, land cost and construction cost are borne entirely by the buyer when he resells – plus interest accrued. If the buyer's children inherit the flat, if they were to decide many years later to sell the flat, they must pay the land cost plus interest charged over many years and perhaps even decades later. His children will be inheriting a huge debt as they cannot sell the flat without having to pay the land cost plus accrued interest. It thus will become a huge liability to the children of the flat owner and no longer an asset.

Even charging construction cost plus, to the first buyer is problematic. Construction cost shot up 30% during the pandemic. This means that prices of flats may fluctuate wildly, depending on the market conditions for construction.

Thus, while it may seem affordable to the first buyer, it may be even more expensive on the resale market than today. Because Mr Leong Mun Wai says that his scheme is designed to reduce resale supply and keep resale prices high. The resale price demanded by the seller will be higher because resale buyers will have to pay construction costs plus land cost, now payable by the flat buyer, plus interest and the profit the home owner wants.

On the Millennial Apartment Scheme – what makes this scheme different from the private sector renting out flats at market rental? There are already such flats located at various parts of the Central Business District (CBD) like the The Sail at Shenton Way. These are currently being rented out by private developers at market cost. Why does HDB want to be involved in the private market sector if it is not to provide home ownership to Singaporeans?

Mdm Deputy Speaker, I have visited many HDB flats in my estate. I also visit many friends who live in HDB flats. Recently, I went to Punggol. I paid a visit there and I walked down the river towards Coney Island. I posted on my Facebook that the flats look absolutely beautiful. In fact, I thought they were condominiums.

My view, Mdm Deputy Speaker, is that many of these flats are really world-class and well built. Eighty percent of Singaporeans live in these HDB flats. Like Ms Carrie Tan who spoke before me, I was aghast to read that in a reply to a comment by someone on Facebook querying PSP's scheme, Mr Leong Mun Wai said that PSP's scheme was needed so that Singaporeans are not condemned to living in HDB flats.

I am certainly glad that Mr Leong Mun Wai made a correction earlier on but I just want to say 80% of Singaporeans live in HDB flats. We should not – never – say that Singaporeans who live in HDB flats are condemned. It is a disappointing statement.

While Mr Leong Mun Wai may or may not be living in a HDB flat, he should not say that people living in HDB flats are condemned. I appreciate that Mr Leong Mun Wai made that correction and I want to say that those who live in HDB flats ought to be proud of the flat that they live in because these are really world-class flats.

Mdm Deputy Speaker: Mr Leon Perera.

4.49 pm

Mr Leon Perera (Aljunied): Thank you, Mdm Deputy Speaker. I just want one point of clarification to the hon Member Lim Biow Chuan on the speech he just gave. I may have misheard him but what I heard was that the hon Member Lim said that the very fact that people are buying BTOs proves that it is affordable. If it is not affordable, they would not be buying it.

I would like to ask the Member whether he feels that the very fact of purchase is proof that it is affordable. Would the Member agree that there are certain people who have to find a home because living with their parents is not necessarily an option, for various reasons?

Would the Member also acknowledge that the concept of housing affordability is a concept in economics that is debated among economists on the understanding that there can be certain levels of house price that are too high in the sense that they crowd out other expenditures that one needs to make in life that are necessary for, for example, education and other things, and that —

Mdm Deputy Speaker: Mr Leon Perera, I think you have asked your clarification. I will let Mr Lim Biow Chuan answer.

Mr Lim Biow Chuan: Thank you, Mdm Deputy Speaker. I think conceptually, one must understand that if you cannot afford, then you simply do not buy. If you cannot afford to buy a car, you do not go and buy a car.

If HDB flats are not affordable, simply put, people will say that, "well, I will find other options. I will rent a flat". In many parts of the world, people do not buy flats. They rent a flat because it is unaffordable. They simply cannot afford it.

If you look at the countries around the world where home ownership is low, it is because people cannot afford to buy a flat.

If I am not able to afford a 3-room flat or 4-room flat because my income is very low, then I will look at options like staying with my parents, I will look at applying to HDB to rent a flat. But the fact that many of them apply to buy a BTO flat suggests that they are affordable.

There are so many schemes that the Government has put out to make these flats affordable. You cannot just look at the price. You look also at the number of subsidies, the grants that the Government gives. That makes the flat affordable.

Of course, I want to qualify by saying that there will always be that small group of people who for whatever reasons will struggle – because their income is low, because they are not capable of holding onto a good job. But the Government's commitment to such people is that we will help you. If you look at those applicants who are living in rental flats, the Government has so many schemes to help you move from that rental flat to buy your own flat.

I hope Mr Perera will look at the various schemes available, understand how they work and understand that this Government is committed to making flats affordable for all Singaporeans.

Mdm Deputy Speaker: Ms Carrie Tan.

Ms Carrie Tan: *(In Mandarin):* [Please refer to [Vernacular Speech](#).] Mdm Deputy Speaker, in response to what Ms Hazel Poa has just said, I am glad that PSP is now acknowledging the fact that the state land is also part of our reserves. I would like to seek a clarification from the Members of the PSP.

They said that the purpose of their Affordable Homes Scheme is to strengthen the principle of owner occupation. So, what PSP is promoting is that once you buy a HDB flat, you should live there until the end. Say someone lives in the flat until he reaches the end of his life, what is this person going to do with the flat? Is he supposed to sell the flat back to the Government and pay back the land cost together with interests? Take the example of an Ah Gong or Ah Ma in his or her 70s or 80s, who is no longer able to work. If he or she has to sell the flat back to the Government and pay back the land cost with interests, is he or she not going to leave a large debt to his children? Can you please clarify?

Mdm Deputy Speaker: Mr Leong, are you seeking a clarification?

Mr Leong Mun Wai: No, I am going to reply to Member Ms Tan.

(In Mandarin): [Please refer to [Vernacular Speech](#).] I Thank Ms Carrie Tan for her query.

Our scheme is called 安居乐, not 安居居. I would like to clarify this first. In my speech yesterday, I was not able to explain in details the contents of this scheme, so thank you for giving me a chance to clarify this —

Mdm Deputy Speaker: Mr Leong Mun Wai, if I could just say, clarify and not make another speech, please.

Mr Leong Mun Wai: She is asking for me to clarify —

Mdm Deputy Speaker: So, just clarify. Please do not make another speech.

Mr Leong Mun Wai: *(In Mandarin): [Please refer to [Vernacular Speech](#).]* According this 安居乐 scheme (Affordable Homes Scheme), if the original buyer of the flat passes away and leaves the flat to his children, his children do not need to return the land cost at that point of time. But if his children choose to sell the flat back to HDB, then the selling price will be based on the user price minus the locational premium and some depreciation. With this formula, they can sell it back to HDB.

Mdm Deputy Speaker: Ms Nadia Ahmad Samdin.

4.56 pm

Ms Nadia Ahmad Samdin (Ang Mo Kio): Mdm Deputy Speaker, I rise in support of the Motion standing in the name of the hon Minister for National Development.

For many who live in cities, housing-related expenses are the largest share of the wallet. For many home owners around the world, the value of their homes is their largest asset.

Property prices have been rising globally. According to the 2022 Urban Land Institute Asia Pacific Home Attainability Index, home ownership in Tokyo is around 40%, around 51% in Hong Kong, 64% in New South Wales and 88.9% in Singapore. That number is an exception in a world where the norm sees homeownership rates across first world countries declining over the last few decades.

Housing policy requires precarious balancing and can sometimes have painful consequences. In my Adjournment Motion in July 2022, I spoke up for my residents impacted by the Selective En bloc Redevelopment Scheme in Ang Mo Kio towards achieving more equitable outcomes in housing and highlighted the varying difficulties and needs of individual residents, the elderly, in particular, against existing schemes and levies for the Government to consider while attempting to redevelop land in mature estates for future generations. There is no easy answer.

While no housing system in the world is perfect, attempting to brand a system that has allowed for almost nine in 10 Singaporeans to own their homes in a first world city as a failure or malaise, is misleading. Let us also not forget that any reset or drastic change proposed for future home owners could affect existing home owners.

Madam, ideological disagreements are an important part of a maturing democracy. Should we continue to prioritise home ownership over rental? Should Singapore's housing needs continue to be serviced primarily by a public housing model or do we reserve public housing only for the low-income? Are there ways to allow for young Singaporeans to start building families earlier? How can we improve the quality of life for seniors to age in place?

These are all questions I have asked myself, my activists and my residents in the course of my work. And I know countless people in the Civil Service who are kept up at night pondering these questions. As society develops, needs and wants change.

Housing policy has not remained stagnant over the years. The work that we do here will ensure that it continues to meet the needs of Singaporeans in the future.

My speech will focus on three broad points.

Affordability can be objectively measured but it is subjectively felt. This is why you cannot soothe emotions using statistics. Let me share a personal anecdote.

My husband and I share household chores as we do not have a helper. Our older resale flat, which we first bought when we got married, is small enough for us to maintain together. In a hypothetical example, six out of seven days of the week, he will do his part of the chores, but on the one day that he does not, I remember the previous days that he did not. When he reminds me of his efforts on the six days, I feel

frustrated and think about that one day.

We cannot soothe the emotions using statistics.

The illustration is my husband's own. So, firstly, I would like to thank him for it. Secondly, six out of seven may be a few more days than reality, but I digress.

In this debate, we will hear that the average percentage of monthly income that goes towards housing payments averages at about 25% when in other cities, mortgages could be 40% to 50%. However, what may be remembered outside of these Chambers are the stories of the few million-dollar resale HDBs or how a couple tried six times to apply for a BTO in a mature estate, even though factually, HDB resale flats that have been sold for over \$1 million dollars make up a minority – around 1% of all HDB resale transactions in the past five years as of 2022 – and when statistics show that less than 2% of first-time applicants took more than five tries to get a BTO flat in a mature estate between 2019 and 2021.

Madam, I acutely feel the worries of Singaporeans on affordability and accessibility of public housing and the desire to continue to improve our system. However, I do not believe it is time to throw the baby out with the bath water. The HDB was set up during a housing crisis in Singapore in the 1960s. And over the years, these flats are home to around 80% of our population – around 23 towns and three estates. We must not compare only harking back to the past, but our place vis-à-vis the rest of the world.

Moving on to some suggestions, the two areas of focus I would like to suggest are: policies that boost the resale market viability as housing option for first-time homeowners and policies that focus on increased access to temporary housing for Singaporeans who need to rent, while on their way to becoming homeowners. To meet the strong demand for public housing, HDB has already committed to ramping up the supply of BTO flats, with some of these projects being placed in mature estates.

We will need some time to see these come into effect. That alongside the ground structures available, support Singaporeans in our pursuit of purchasing our first home, be it first hand from HDB or in the resale market. However, despite the Government's best efforts in rolling out cooling measures to manage increasing prices in the resale market, sometimes market conditions will cause demand to skyrocket beyond predicted levels, and with it, prices increase.

I have some suggestions specific to future BTO projects. Introduce a stage of life housing grant designed to motivate Singaporeans to right-size our first homes and mortgages at the start of our home ownership journey and increase the supply of potential 3-room flats available in the resale market by adjusting the Minimum Occupation Period (MOP) for such units downwards to three years.

Scenario A: a couple successfully ballots for a 3-room BTO. They are eligible for an HDB Loan Eligibility (HLE) loan and receive the proximity grant to be near their parents. Lucky for them, three years later, they have a child and feel that maybe their house is a little too cramped as they also are considering employing a foreign domestic worker. Given that they have reached their three-year MOP, the couple contemplate selling their home to purchase a 4-room flat in the resale market to accommodate their growing family. After means testing, such a couple could be eligible for stage of life housing grant, which will help to further subsidise the cost of the 4-room resale.

Scenario B: same couple and choices, except they have not had the fortune to have a child yet. So, in considering their next home purchase, they are not eligible for this stage of life housing grant. However, because they had right-sized at the start, the share of wallet paying their mortgage from their monthly income is slightly lower and they have savings. They afford this first home comfortably and when their salary scales, they can afford a bigger home, either later down the line or when they have kids.

Finally, scenario C: a couple want more space, so they successfully ballot for a 4-room BTO. And the status quo continues to exist for them. The MOP period will continue to be at five years. These twin proposals encourage a rethink of how we as Singaporeans approach housing, buying the space that we need today and upgrading as needs change in the future, allowing space and assistance to go to those when you need it the most.

While there will naturally be many considerations in these suggestions, I hope that this concept can be considered and its potentials studied further as one of the many levers which the Ministry uses.

Next, as a Member of Parliament serving in a mature estate, I often receive feedback that the price of resale units are high. There are few new BTOs and that the younger generation wants to continue to stay in the same neighbourhood and nearer their parents who are part of their circle of care. My husband and I too, prioritise proximity to my senior parents so that we could be a short distance away if we needed them or if they needed us, even though the trade-off in that was an older flat and an older layout.

For BTO launches in mature estates, could the Government consider making three generational flats a key feature of every launch? This would allow both caregiving for children and parents more holistically in a larger space and also free up other units for resale when parents move in together with their children. Personally, I am grateful that the Government has started to consider prime location public housing and continues to find scarce piece in mature estates instead of such land being taken up by private housing only.

Third, on rental housing. Madam, homeownership remains the core aspiration of many Singaporeans today, but it would be remiss of me to not also mention accessibility of rental housing in Singapore for vulnerable families and individuals awaiting development of their BTO flats due to COVID-19 construction delays. I will continue in Malay, please.

(In Malay): [Please refer to [Vernacular Speech](#).] There are around 50,000 households under the Public Rental Scheme. In 2022, the Government stated that the waiting period to get a rental flat from HDB is less than one year. This is lower than countries like Hong Kong, for example, where the waiting period for public housing is 5.6 years. However, many of my residents have shared their concerns – for example, a mother and her children who suddenly lost their home after a divorce and those living in 1-room rental flats, which is not suitable for children who are growing up. Sometimes there are also complex issues faced by families such as families that have recently reconciled or those with new family members at home such as in-laws.

Madam Deputy Speaker, it is impossible to meet the short-term demand for rental flats, and in any case, many families hope to move into their own homes. As part of the programme to help low-income families, or those who wish to rent a flat through the PPHS scheme, can the Government consider an initiative to distribute housing cash vouchers? Such vouchers can complement the support provided by the Government to address the rental flat supply problem and can provide a quicker solution to a most pressing need. Indeed, this policy, if approved, should have a testing method and eligibility criteria such as an income limit, a maximum limit on the amount to be drawn out and consider whether it is appropriate for the Government to provide a repository of homeowners with additional rooms. In my view, such housing vouchers can provide more support for low-income Singaporeans and alleviate situations where there are no units available for them to rent. It also allows families to rent in locations closer to schools, workplaces or family support systems that they require.

I commend the Government's efforts and commitment to support Singaporeans' aspirations to own their own homes. I am glad to read that over 700 families living in rental flats were able to buy their own homes in 2022. The Home Ownership Support Team (HST), coupled with the Fresh Start Housing Scheme (FSHS), has helped them. I would like to ask if the HST can be extended to support more families in rental flats who have yet to own their own homes, and whether the FSHS can be enhanced further, for example, can the Government give an update on when will FSHS families be eligible to purchase 3-room flats, and how can it help families who are saddled with debt from their previous home?

Madam Deputy Speaker, it is not a coincidence that close to 80% of Singaporeans live in HDB flats today, with nearly nine in 10 Singaporeans owning their own homes. Mortgage rates have doubled on average in developed countries in 2022. For instance, in Indonesia, a 2019 World Bank report on urbanisation, showed that the ratio of home prices to income in Jakarta was higher than Singapore and New York City, and this led to a reduction in home ownership rate. In Malaysia, a policy paper has suggested that housing prices remain unaffordable for many residents. Housing is a global problem, but remains a personal aspiration for many, and we must continue to improve accessibility and affordability for current and future generations of Singaporeans.

(In English): Madam, our housing policy approach has historically gone beyond infrastructure to include livability, social, familial and societal development considerations. We have worked so hard for generations of Singaporeans to own houses and build homes. And as we navigate new expectations and realities, I hope that the Government continues to listen to concerns as it has and also be open in communicating trade-offs so our people understand the different data points when discussing affordability and accessibility in housing. The Government's efforts on Forward Singapore are in the right spirit and I urge more Singaporeans to come forward to the table for this direct opportunity for consultation and co-creation.

Housing is a part of the Singapore dream, which must continue to be within the reach of each generation, so that our people feel like they have a home here and a tangible stake in our Singapore. [Applause]

Mdm Deputy Speaker: Mr Raj Thomas.

5.11 pm

Mr Raj Joshua Thomas (Nominated Member): Thank you, Mdm Deputy Speaker, I thought I will just respond and clarify with Mr Leong why I said his previous proposals as regarding "taking out the cost of land from the pricing of HDB" and why his current proposals are different. Just to give the background as how I came to that conclusion and to clarify.

On a 8 December Facebook post, Mr Leong said, "in my opinion, the pricing of HDB flats should only account for construction costs and price differences between locations." He then said, "land cost should be taken out of the picture because much of the land use for building HDB flats were surrendered by the Pioneer Generation to the Government etc." On the 20 January, Mr Leong wrote again on Facebook, "it should be quite evident to Singaporeans that I am arguing for land cost to be taken out of the pricing of HDB flats", but in the current Affordable Homes Scheme that Mr Leong is proposing, the cost of land would be recorded and interests applied. And, that it would eventually have to be paid back to the past reserves. Whether it is now or whether it is later, it is still part. The land cost is still now part of the pricing of the HDB flat. And when a person purchases flat, surely, they will look at what this land cost is and consider it because it is a future liability.

So, the cost of the land is in fact, not out of the picture in this new proposal. It is, in fact, now in the picture, squarely in the picture, although it maybe in the background. So, this is the reason why I came to the conclusion that there were actually differences in what he had proposed earlier and what he is proposing now because it has quite obviously changed.

Mdm Deputy Speaker: Mr Leong Mun Wai.

Mr Leong Mun Wai: Thank you, Madam. If I am a military strategist, obviously, I have just executed a very brilliant strategy. If you try to second-guess what my policy is and you fail to second-guess my policy, it is your problem. I am not flip-flopping, right? So, when I say the land cost should be taken out of the picture, I mean, it should be taken out of the picture for owner-occupation. And you did not guess that I

actually have a second part to it. So, there is no conflict in my first idea that I put up on Facebook and what I actually proposed in my speech yesterday.

Mdm Deputy Speaker: Minister of State Muhammad Faishal Ibrahim.

5.14 pm

The Minister of State for Home Affairs and National Development (Assoc Prof Dr Muhammad Faishal Ibrahim): Mdm Deputy Speaker, please allow me to begin my speech in Malay.

(In Malay): [Please refer to [Vernacular Speech](#).] Since the earliest days of nation-building, home ownership has been a key cornerstone of our public housing policy and a key pillar of Singapore's social compact.

As a young nation, we want to support all Singaporeans to own their own homes, so that they can have stability to build their families and raise their children, have a sense of rootedness in Singapore, and have a stake in our country's progress.

We have delivered on this commitment. We have one of the highest home ownership rates in the world, at close to 90%. Many Singaporeans have also benefited from the growth in the value of their HDB flats and upgraded to new homes at different stages of their lives.

The Government's commitment to help Singaporeans own their own homes remain firm. Despite the disruptions caused by COVID-19, HDB has been catching up on its building programme. We will launch up to 100,000 flats between 2021 to 2025, if required. The Government has also kept BTO prices almost flat, despite escalating construction costs, in order to ensure that flats remain affordable.

Virtually all first-time buyers of subsidized flats get to select a flat within three tries if they apply for BTO flats in non-mature estates. Overall, almost nine in 10 first-time BTO buyers in non-mature estates can finance their monthly HDB housing loan fully with CPF, without any cash.

The facts speak for themselves. HDB flats remain accessible and affordable.

Moving forward, like what we have done before, we will continue to ensure that public housing is accessible and affordable for Singaporeans. We will also take care of the housing needs of those who are more vulnerable and lower-income families.

(In English): Madam, I will continue my speech in English, please. As Minister Desmond Lee said in his speech, one of the Government's key objectives is to create an inclusive society, through public housing.

This is why our housing grants are tiered to provide more support for lower-income families, on top of the significant subsidies provided for BTO flats. As a result, about 85% of our low-income households own their homes. This is something not commonly seen in other countries.

Take for example, a lower-income family with household income of \$2,500, which is below the second decile of resident household income. They can enjoy \$70,000 in grants. If they were to buy a 3-room flat in Vanda Breeze @ Yishun in the November 2022 BTO exercise, where the typical selling price was \$200,000, the housing grant would reduce the selling price to \$130,000, or about 4.3 times of their annual income. This family would only need to use about 16% of their household income for their monthly mortgage instalments. This means they can service their mortgage entirely using their monthly CPF contributions, without any cash outlay.

Or if you look at a household combined income of \$5,000, which is below the third decile of resident household income, they can receive \$45,000 in housing grants. Based on a typical selling price of \$350,000 for a 4-room flat in West Glade @ Bukit Batok in the November 2022 BTO exercise, the housing grant can reduce the selling price to \$305,000. This family would only need to use about 21% of their household income to pay for their monthly mortgage instalments. Again, they can service their mortgages entirely from their monthly CPF contributions, with no cash outlay.

As these examples show, HDB flats continue to remain affordable, even for families on the lower end of the income range.

Beyond delivering our commitment to affordable and accessible public housing, we have been going all out to take care of those who are more vulnerable. We recognise that some families may not be ready for home ownership yet as they need to build up their finances.

To ensure that these families and their children have a stable home as they work on their life challenges, we provide highly subsidised public rental housing as a social safety net. We have been making improvements to our rental flats over the years to provide a better living environment for our tenants and we will continue to do more.

For example, we improved the design so newer rental blocks have better lighting and ventilation. And going forward, we will be building rental blocks in the same projects as sold blocks and where possible, in the same block. Doing so also helps to ensure that our HDB estates remain inclusive.

For low-income singles in public rental flats who are under the Joint Single Scheme, or JSS, we know that some of them have difficulties finding a flatmate or getting along with them. A few years back, we started building partitioned 1-room flats for the JSS, to provide more privacy.

More recently, we started piloting an operator-run model for the JSS, where we appoint an operator to help manage the flat-sharing arrangements, and individuals can apply without having to find a flat-mate first. These efforts have been well received so far.

For our rental tenants, our approach goes beyond providing rental flats for shelter. We want to ensure that their children have a stable home environment to grow up in.

Ultimately, our goal is to help these families achieve stability, self-reliance and eventually, social mobility. This is why we have gone further upstream to pair rental housing with ComLink to provide holistic social support for families entering rental housing,

With the ComLink Rental Scheme we launched in November 2022, eligible families with young children will be automatically enrolled in ComLink when they apply to HDB for a public rental flat, even before they move in.

ComLink officers will work with the families to understand their needs and aspirations, then develop customised goals and an action plan. Depending on their needs, we bring in the relevant support schemes and programmes across the various agencies. For example, ComCare financial assistance, employment support for the parents, and KidSTART for the children.

For rental families who have achieved stability and have potential for home ownership, we set up the Home ownership Support Team, or HST in short, in HDB to journey with them through their flat-buying process.

The HST provides one-to-one guidance to help families work out their budget, make sense of the housing grants and schemes available, all the way until they move into their new flats. I work with them very closely and we engage rental tenants, as well as those who have moved into their new flats.

Since it was set up in end 2019, the HST has reached out to about 1,400 rental households. I have met some families who have benefited from HST's guidance and they are always very appreciative of the effort that our HST officers put in to help them.

For example, I met a young couple last September, Nizam and Nabilah, who had just moved into their new home. Before that, they had lived in a public rental flat for some years with their three young children. From the outset, they were determined to work towards home ownership to provide a better home environment for their children. Knowing that steady income with CPF contribution is crucial, both of them persevered in their jobs. Nabilah shared with me that their journey was not without challenges, but they were determined and worked hard to save up for their own flat.

As they were not sure about their housing budget, they sought help from the HST. The HST worked with the family to plan their housing budget and options. They also benefited from an Enhanced CPF Housing Grant of \$60,000. Their determination and hard work paid off. They are now the proud owners of a beautiful 4-room flat in Punggol. In fact, I visited them at their home.

Some of our rental families are those who had to move into public rental housing after losing their flat due to financial difficulties. To help these second-timer families with children own a home again, we introduced the Fresh Start Housing Scheme (Fresh Start).

Under Fresh Start, they can buy a shorter-lease 2-room Flexi flat with a grant and receive support from a Social Service Agency (SSA) to help them stay on track in their journey towards home ownership. This was also shared by Member of Parliament Nadia earlier.

We have just enhanced the scheme last year by increasing the grant amount from \$35,000 to \$50,000. Starting from the February 2023 BTO exercise, Fresh Start families can also buy a 3-room flat on a shorter lease.

One of our Fresh Start families is Mdm Zaidah and her son. Mdm Zaidah is the sole breadwinner of the family and has worked as a security officer, massage therapist and several other jobs, while saving up to buy a home. After eight years in public rental housing, she bought a Fresh Start flat three years ago. When she was interviewed recently, Mdm Zaidah said, "My son and I are so happy to have our very own home."

Simple words, but there is so much behind it. She has brought up three children, gone through divorce, and battled cancer. Now, she has her own flat – a home for life, paid for in full with her CPF savings. In guiding her towards home ownership, we have been very inspired by her and we are so happy for her too.

I was very happy to read Mdm Zaidah's interview. It touched me. In fact, I cried. I could resonate with her happiness, particularly that of her son, as that was how my family, particularly my siblings and I, felt in 1979 when we moved from a rental flat in Marine Terrace to our 3-room flat in Bedok South. I sat down reflecting and appreciating what we have here in Singapore. I told myself I knew how she felt. We must do more to help fellow Singaporeans, especially those who live in rental flats to have a home of their own.

Madam, over the past decade, 7,800 rental households have benefited from HDB's various housing schemes and grants, and moved into their own homes. Another 2,300 rental households have booked a sold flat and are now waiting to collect their keys. We are very encouraged by this, as it shows that home ownership is achievable for our rental families, with hard work and commitment on their part, coupled with strong support from the Government and the community.

As part of building an inclusive society, we have also adjusted our policies to take care of those who may be facing housing challenges due to unexpected life events. Especially when children are involved, we want to ensure that they can have a stable home to grow up in.

For those going through divorce, we understand that the housing transition is a stressful period. For divorced parents with children, I would like to assure them that they can qualify for the same housing schemes and grants as other families. They can buy a subsidised flat from HDB or a resale flat on the open market, and qualify for housing grants and priority schemes for families, such as the Multi-Generation Priority Scheme and the Third Child Priority Scheme, if they meet the prevailing eligibility conditions.

To further improve their chances of getting a subsidised flat, those who are buying a flat as second-timers can receive priority under the ASSIST scheme when they apply for a 2-room Flexi or 3-room BTO flat in non-mature estates.

For those who are undergoing divorce and want to better understand their post-divorce housing options, they can approach HDB for housing counselling.

For single unwed parents, if they are in stable employment and can afford to buy a flat, we will allow them to buy up to a 3-room new flat in a non-mature estate, or any resale flat. If they cannot afford to buy a flat and need a place to stay, we will consider them for public rental if it is in the best interest of their child, in consultation with social workers if necessary.

Some Members in this House claimed that seniors will have a lot to worry, when their leases diminish.

We take care of our seniors and we have been doing so all along. For seniors who want to monetise their flats to support their retirement needs, we have various options available, such as the Lease Buyback Scheme and the Silver Housing Bonus.

In addition, we have planned ahead and introduced measures to help seniors age in place independently and confidently. For example, we introduced the Enhancement for Active Seniors (EASE) Programme in 2012, more than 10 years ago. So far, about 280,000 households have benefited from HDB's Home Improvement Programme (HIP) and EASE Programme, to make their homes more senior-friendly. As part of our neighbourhood upgrading programmes, we have also been adding senior-friendly features to our HDB estates.

Most recently, we introduced the Community Care Apartments, or CCAs in short, a new type of HDB flats that pairs senior-friendly housing with care services which can be personalised to seniors' needs as they age.

We have launched two CCA pilot projects so far. The public response has been positive, and we are studying the feedback received as we develop our longer-term plans. The CCAs, along with 2-room Flexi flats on shorter leases, also provide right-sizing options for seniors who wish to right-size to a smaller flat after their children move out.

Mr Gerald Giam will be glad to know that we have been significantly ramping up the supply of 2-room Flexi flats from about 1,500 2-room Flexi flats launched in 2013 to around 4,000 such flats launched every year since 2014. We will continue taking care of our seniors' housing needs, as we have always done.

So, Madam, to sum up, the Government has delivered on its commitment to affordable and accessible public housing for all Singaporeans. To ensure that no one falls through the cracks, we have also gone all out to help those who are more vulnerable and partner them as they work towards a brighter future for themselves and their children.

We will continue striving to do better as we work with Singaporeans to build an endearing, inclusive home for us and our future generations. *[Applause.]*

Mdm Deputy Speaker: Mr Chong Kee Hiong.

5.36 pm

Mr Chong Kee Hiong (Bishan-Toa Payoh): Madam Deputy Speaker, I declare my interests as my family has interest in private real estate development.

Singapore has one of the highest rates of home ownership in the world, proving that HDB policies have been working well over the generations. Of course, these housing measures have to evolve to adapt to changing needs. We have done so before and must continue with our efforts to adjust our housing policies to suit new population requirements and social norms.

It is important for our HDB flats to be more accessible to all Singaporeans. First and foremost, we need to shorten the waiting times for BTO Flats. HDB should continue to work with the construction sector on new and faster building techniques such as Prefabricated Prefinished Volumetric Construction, or PPVC method, to reduce time for completion of projects. This will naturally increase the supply of flats in the market to alleviate supply and demand pressures,

First and foremost, it will moderate price increases as the competition for resale flats is lowered. Second, it will allow better family planning for couples who prefer to have their own homes before starting a family. Existing priority schemes should be regularly reviewed and calibrated to suit prevailing demand requirements, giving consideration to demographics and existing supply conditions. And I appeal to the Ministry to provide further priority for first timers who need their flats more urgently. These include married couples trying for a child and those with young children. HDB may need to look into their family situation, such as proximity to the parents' home, the couple's age, number of unsuccessful HDB applications and allocate higher priority.

Supposing we are able to improve the supply situation, the question of affordability is also top on the minds of flat buyers. HDB has done well over the years to ensure availability of a good mix of different flat types in a wide range of prices. Together with the relevance of subsidies and assistance schemes, home ownership is within reach for a broad spectrum of budgets.

However, there will be a group of applicants who need or want to stay close to the parents but are worried about whether the prices of BTO flats in these areas are within their budget, especially if their parents are residing in matured states, which command level of pricing that is on the higher range due to their prime or central location. How do we create a situation where we can achieve a good outcome for this group of applicants?

To maintain a fair market, HDB would have to differentiate pricing of flats according to their location in line with how real estate is priced. While bridging the aspirations of multi-generational families who want to stay in close proximity, we also need to be cognizant of market forces at play as HDB flats are also bought and sold on the secondary market. Increasing supply of BTO flats indiscriminately and skewing pricing to the low end would create downward pressure under the resale HDB flat market and impact existing home owners.

Aside from the forces of supply and demand and location, the lease tenure of a property would also be a factor in its pricing or value. Perhaps HDB can review the suitability of assigning leases of varying durations and pricing to augment the affordability to first-timers who really need to or want to stay close to their parents in mature estate BTO flats that are in central locations. I would like to conclude with my support for the MND Motion.

Mdm Deputy Speaker: Professor Hoon Hian Teck.

5.40 pm

Prof Hoon Hian Teck (Nominated Member): Mdm Deputy Speaker. A debate on the Motion on providing affordable and accessible public housing for Singaporeans must look at the past, the present and the future, keeping in focus members of the older generation, current generation and future generations. The provision of public housing has to be seen in the historical context of both tackling the challenges of providing good jobs for a newly independent country suffering high unemployment as well as forming a nation.

Having a place called home produces a sense of belonging. The setting up of HDB in February 1960 was an expression of a commitment to provide affordable housing to the citizen population. What has been the record of the Government in achieving this goal over the past few decades? As the standard of living has risen and citizens' aspirations have evolved, what are the challenges to the Government commitment to provide affordable and accessible housing to the cross section of the current generation? If we attach a positive weight to the social welfare of future generations, how should we view and seek to meet the housing needs?

First, the past. In the report of Singapore Housing Committee 1947, it was noted that the lack of proper housing posed a serious problem. I quote: "These people live in huts made of atap, old boxes, rusty corrugated iron, etc., with no sanitation, water or any of the elementary health requirements. It is a literal and physical impossibility to eject these people as they have at present nowhere else to go and cannot be cramped back into the slums from which they have escaped." The report expressed an aspiration to build permanent housing over a period of 25 years.

While the Singapore Improvement Trust established by the colonial administration started to build houses to meet the challenges described in the 1947 report, the take-off began only with the establishment of the HDB after Singapore achieved self-government in 1959.

In the book titled "First decade in public housing, 1960 to 1969", the then-Minister for Law and National Development, EW Barker, said in his foreword, and I quote: "One of the more glaring problems that the government inherited when it was elected to office in 1959 was the acute shortage of housing. A large proportion of the population was then living in squalid dwellings, concentrated mainly in the city. Whatever little accommodation that was available on the market with a modicum of comfort and modern conveniences was beyond the reach of the majority of the people. Within five years of its establishment, the Housing Development Board was able to relieve the acute housing shortage in Singapore. Now, 10 years after its formation is completed, more than 100,000 units of flats which provide homes for about 30% of the population, indeed a record of which Singapore can be proud."

Today, as Members have cited, about 80% of Singapore's resident population live in public housing, of which about 90% own their flats. A key pillar of the Government's record in providing affordable public housing to its citizens is the Central Provident Fund (CPF). This makes keeping a job that pays reasonably well a prerequisite to owning a home. The unemployment rate steadily declined, from close to 9% while real income saw a steady rise after Singapore became independent in 1965. Members of the Pioneer Generation made difficult adjustments as they transited from living in atap huts to living in HDB flats.

Founding Prime Minister Lee Kuan Yew in his memoir entitled "From Third World to First: The Singapore Story: 1965-2000" told of a family – a couple of 12 children – moving from a hut to a new HDB flat at Old Airport Road, they brought a dozen chickens and ducks to rear in the kitchen. What a transformation.

Members of the Pioneer Generation and their children, including members of the Merdeka Generation, also benefited, looking at the past generation, from the appreciation of the value of their flats as real income rose steadily during the period of what I like to call catch-up growth.

It is very likely that economic growth itself, particularly equitable growth that distributed benefits to different segments of the resident population, which Singapore experienced, served to enhance the value of a home. In other words, the rise in the value of a home in general, broadly speaking, on average, occurred because of the great transition from a third world to a first, signifying a closing of the income gap between Singapore in 1965 to the world economic leader of the 20th century.

In addition, the constant effort to refresh HDB estates, including mature estates, also helps in asset enhancement.

Take the example of a member of the Pioneer Generation whose age was in the early forties during the late 1970s. That would have been about the time when the Pioneer Generation moved from the atap huts to their first HDB flats. When such a member in their early forties, during the late 1970s, purchased a HDB flat, he did that with a 99-year lease.

In his eighties today, he can, through joint ownership, leave his HDB flat with a remaining lease of still over 50 years as a bequest to one of his children. Those with children, some of whom might be members of the Merdeka Generation who choose to purchase their own BTO or resale flat, have, as Members have noted, the following options.

They can downsize to a smaller HDB flat as they age. They can move to a 2-room flexi flat or community care apartment with a shorter lease or join the Lease Buyback Scheme. These are means to monetise their housing asset and boost retirement adequacy.

Second, the present. What are the challenges to providing affordable housing to the cross-section of the current generation?

As has been noted, the Government has made clear that keeping public housing affordable to help Singaporeans own their homes is a key national priority. In that regard, two measures are regularly used in international studies.

To determine housing affordability, the HDB looks at buyers' household incomes and selling prices on Built-To-Order (BTO) flats. The BTO flats are priced to maintain a certain price-to-income ratio (PIR), taking into account the different locational and individual attributes of BTO flats. Housing subsidies given to Singaporeans purchasing their first flat bring down the PIR compared to the higher PIR for resale flats in the same locality.

Another measure of housing affordability is the mortgage servicing ratio (MSR), which is the ratio of monthly mortgage payment to gross monthly household income expressed in percentage. The MSR, as has been noted, has remained below 25% and has been lower than 25%, particularly for purchases of smaller flats with lower median household incomes. This makes it possible for most flat buyers, in the example just given, to service their loan without further cash outlays. They can simply draw down their CPF contributions.

The supply of BTO flats has been disrupted due to COVID-19. I think many Members have recognised that among different factors, this was probably a major shock, increasing the waiting time to get one's first BTO flat. But the pace of construction has resumed and some time will be taken before the market adjusts to an equilibrium to match supply to demand.

However, I think it is important to understand the nature of the market equilibrium under a BTO system.

When demand is high relative to supply, as we are facing now, an unfettered price mechanism would allocate goods to final users basically by driving up the price. Since the Government seeks to make public housing affordable by achieving a certain price-to-income ratio, the allocation therefore is achieved through balloting.

There are consequences to this. For example, this means that individual preferences for certain flat types might not be met, especially when there is a desire to have a BTO flat in a mature estate, say, for reasons of closer proximity to parents who can help to provide childcare for working couples.

Since the physical capacity to build BTO flats in mature estates is much more limited, the Government might have to consider more childcare facilities in non-mature estates to shift housing preferences.

Despite broadly equitable growth that very much characterised the Singapore experience through the second half of the 1960s, 1970s, 1980s, 1990s, from around the year 2000, while the real wage of high-skilled workers continued to rise, that of low-skilled workers remained fairly stagnant. In fact, it slightly declined from about year 2000.

In response, in the 2000s, the Government made the Workfare Income Supplement scheme a permanent fixture of Singapore's social safety net. As a portion of the Workfare payments is given in the form of CPF top ups, this helps to build up retirement adequacy.

In other words, there are national policies other than monetising assets, as long-term structural policies that boost retirement adequacy, almost surely, this will have to be a major form as we proceed in the decades ahead because the experience from developed countries has shown that in more recent decades, wage inequality has indeed widened.

As has been noted, households at the lower end of the income distribution receive additional grants to purchase their HDB flats, enabling them to have access to public housing and thus become owners also of an important asset. The size of their enhanced CPF housing grant is graduated to give a higher amount to lower-income earners. This strengthens social equity.

So, I think I have now made broadly two points.

I think that it is fairly undeniable that if you look at a country like Singapore, certainly, its prospects and its independence, few would have figured that it could transit from about 20% of the US standard of living to having caught up. I think that a central part of that growth is associated with the increase in the value of housing.

But to have a house, you have got to have a job, which makes CPF and employability, a point that I will conclude with, very crucial.

It is Singapore's ability to generate both the jobs and, of course, along with that, reasonably good pay that force us now to widen the income inequality gap. I think the social consensus is to have special policies, especially to uplift the earnings of low-wage workers, and to have a policy where we have tiered external grants that are in their favour. That is point number one.

I think point number two is that the success of meeting current aspirations, in part, will involve refinements – not a total change.

My last point, looking at the future.

I want to address here the issue of the value of land and placing it into the reserves and give a perspective on that.

The proceeds, as is the current practice, from land purchases by HDB are ploughed back into the past reserves. Valuing land and market rates and paying into the past reserves generate resources to tackle negative external shocks and boost employment for current and future generations.

Having stable employment is a pertinent precondition for achieving the Government's goal of keeping public housing affordable and accessible for future generations of Singaporeans because history matters and our achieving the high ownership of housing came along with a CPF system, which we pretty much also inherited from the colonial administration. This is because studies of how Singapore has managed to achieve such high rates of ownership of public housing by Singaporeans point to September 1968, when an amendment to the CPF Act introduced the public housing scheme to allow members' CPF savings to be used to purchase public housing.

Yet, as we have seen recently from the COVID-19 pandemic shock as well as earlier episodes of recessionary shock such as the Global Financial Crisis, keeping a job is not guaranteed as a matter of course. Drawing down on our past reserves to fund the enhanced Jobs Support Scheme enabled the Singapore economy to avoid a massive loss of jobs to retrenchment during the pandemic.

Avoiding long periods of unemployment enabled Singaporeans to continue contributing to their CPF accounts to finance their mortgages. So, augmenting our past reserves by channelling proceeds from land sales by HDB at market rates therefore serves to increase the country's resources for use during stormy days.

In the Motion standing in the name of Mr Leong Mun Wai, a proposed scheme dubbed the Affordable Homes Scheme, if I understand it correctly, has the feature that have purchasers of BTO flats who subsequently live in their units until the end of their lease pay a price that does not factor in the land cost.

In the absence of any housing grants that are financed through current tax revenues, HDB would not have the proceeds to plough back to past reserves as it currently does. Past reserves would therefore not accumulate at the same rate as under the current system.

Under the proposed scheme, the purchasers of BTO flats who, for various reasons, choose to sell in the resale market would have to pay the apportioned land cost with accrued interest that will be added to past reserves. This, I think as noted by some Members as well already, may involve a huge financial outlay for the individual seller, especially if the recovery of total land cost is applied only to sellers after the minimum occupation period, which would deter resale.

So, in sum total, under the proposed scheme, the size of past reserves that can be drawn upon during big storms that hit the Singapore economy will be smaller compared to the current system.

Mdm Deputy Speaker, it is very moving to browse through the photos in the book "First Decade in Public Housing, 1960-69", still available if you hunt for it in the library. It details the before and the after of a typical living room and a kitchen.

I am old enough to have seen how an attap hut looks like – a kitchen in the attap hut looks very different from a kitchen in the HDB flat —

Mdm Deputy Speaker: Prof Hoon Hian Teck, I am sorry to interrupt you, but you have a minute and a half to close.

Prof Hoon Hian Teck: Thank you. Living through the rapid economic transformation of Singapore leaves one with a deep sense of gratitude. The journey ahead, however, is likely to be more challenging as citizens' aspirations are now higher and the room for growth spurts diminishes in a mature economy.

Nevertheless, keeping a focus on achieving economic inclusion through providing affordable and accessible housing while continuing to grow the economic pie through innovation and productivity increases to raise tax revenues to fund housing grants provides hope that the well-being of the current and future generations of Singaporeans can be further improved. I support the Motion standing in the name of the Minister for National Development. Thank you. *[Applause]*

Mdm Deputy Speaker: Mr Gerald Giam.

6.00 pm

Mr Gerald Giam Yean Song (Aljunied): Thank you, Mdm Deputy Speaker. I have a clarification for Minister of State Muhammad Faishal. I thank the Minister of State for responding to my request for HDB to build more 2-room Flexi flats for the elderly.

During my speech, I shared that the demand for these flats still exceeds the supply by quite a bit. And given that our population is ageing and there are, by my calculations, about 71,000 senior households that potentially would want to right-size their flats, does HDB plan to further increase the number of 2-room Flexi flats in the coming years, and if so, by how much?

Mdm Deputy Speaker: Minister of State Faishal.

Assoc Prof Dr Muhammad Faishal Ibrahim: Madam, I want to thank the Member for the question. Indeed, as I have shared in my speech, this is not something that we have recently done. It is something that we have journeyed through for many years, and we have always been doing this. And if you see, how it has transformed from the 2-room Flexi flats and we have now started to embark on the Community Care Apartments (CCAs).

We look at ageing and also looking after the needs of the seniors, not only from the aspect of housing. It is a comprehensive plan that involves not only multi-disciplinary, multi-Ministries, but I think various segments of our people. I want to assure the Member that we are watching this carefully. We are also planning to do a lot more, because ageing is coming in big waves. But there is an opportunity for us to provide the platforms for our people to age gracefully, age in place and find joy in ageing here.

We have journeyed through many years before, even decades. However, I realise that the landscape continues to change and there are developments, for example, in technology, and how we can provide social services, healthcare services together, and we want to have better integration that will help them in their lives. And not only that, to also help their family members and their children to support them, so that we all can grow well in Singapore.

So, I assure the Member that this is something that we are looking at. We have been looking at it and we continue to look at it, to find ways on how we can integrate and provide a holistic move in developments towards ageing. We will do that.

Mdm Speaker: Senior Minister of State Sim Ann.

6.03 pm

The Senior Minister of State for National Development (Ms Sim Ann): Mdm Deputy Speaker, thank you for letting me join the debate.

Minister Desmond Lee's opening speech gave an overview of how we have been building and pricing HDB flats, explained the causes for the current tightness in the supply of BTO flats and higher prices in the resale market, laid out the moves we are making to address the situation and reaffirmed the Government's commitment of keeping public housing affordable and accessible, while protecting the interest of current and future generations of Singaporeans.

It is natural to adjust public housing policy from time to time, in response to changes in demand, societal trends, buyer expectations and major events with profound impact on the housing market, such as the Asian Financial Crisis in the past and the COVID-19 pandemic which we have so recently experienced. But to require a reset, as the Member Mr Leong Mun Wai has claimed, is something else altogether. So, let us revisit the bigger picture.

[Mr Speaker in the Chair]

Members would recall the points that Minister Desmond Lee has made yesterday. In his opening speech, he has given us some handouts, which I trust that Members have saved because they are very useful, but if not, we have made extra copies available.

In his speech, he showed that we have been building HDB flats faster than the HDB residential population growth – and that is in Annex 1. Median household income growth grew faster than the increase in average 4-room BTO prices. And this, Members can see from Annex 7.

HDB has also kept to our affordability targets. Annex 2 shows how the House Price to Income ratio (HPI) for 2-room, 3-room and 4-room BTO flats in non-mature estates have remained below five since 2015. More than eight in 10 buyers who collected their keys to BTO flats or bought resale flats in 2022, can service their monthly mortgage fully from CPF contributions, with little to no cash outlay.

Close to 70% of the BTO flats launched in 2022 across all estates, can be affordably purchased with a household income of \$8,400 at a Mortgage Servicing Ratio of 25% or less, meaning that these households use a quarter or less of their household income to pay for the mortgage instalments.

For first-timers who apply for BTO flats in non-mature estates, virtually everyone gets a chance to select a flat within three tries. Minister Desmond Lee's presentation has shown how, over the long term, we have not underbuilt BTOs nor have we lost sight of affordability, especially for non-mature estate BTOs.

We agree with Members' observations about short-term imbalances in supply and the spike in resale price levels. Not only did Minister Desmond Lee lay out the causes, he also explained what we are doing about these imbalances.

Our building programme fell behind in the last three years due to COVID-19, we are catching up and are committed to launch up to 100,000 new flats between 2021 and 2025, if needed. The median waiting time is now four to four and a half years, and we are working to bring this down to three to four years from 2024. This is the median, but even if we look at the range, it is not the five to seven years that Mr Leong mentioned. It is more like two to six years and the BTO project with the longest waiting time today is an almost 50-storey development at just under six years.

Resale prices have, indeed, grown more sharply recently, due to buyers turning to resale when BTO construction was delayed due to COVID-19, and shifts in social norms exacerbated by the experience of the pandemic, contributing to overall increase in housing demand. Cooling measures have been introduced, which are starting to take effect.

Mature estate BTOs present a specific set of concerns which Minister Desmond has also addressed. These mature estate BTOs are in desirable locations and cannot possibly be priced the same as other locations. As Nominated Member Cheng Hsing Yao has alluded to, mature estate BTOs are really more than basic. Although some prospective buyers find them pricey, there are still many buyers within the eligible income range who are able and willing to pay the posted price, as can be seen by the high application rates.

The issue is how to price mature estate BTOs, so that they do not become out of reach for most buyers, and also not in a way that induces its own demand. Minister Desmond Lee has also indicated new measures we are considering to manage demand. So he has laid out the long-term picture and he has also addressed the short-term imbalances and what we are going to do.

And in the speeches that have followed, I was very glad to see considerable common ground.

For instance, Members like Mr Gerald Giam and Mr Leon Perera have also agreed that building more flats with short waiting times and also efforts to manage demand are important – and this is what we are doing or considering. Nominated Member Dr Shahira Abdullah has also raised suggestions for managing demand amongst BTO buyers. We thank her also for agreeing with us that these are important issues to consider.

Members have also made suggestions that affirm the need to make sure that resale prices are moderated. But this means ensuring that the price increases are sustainable and will not crash or be very volatile. And again, I think that we are in agreement here.

So, if we agree that the imbalances that Minister Desmond Lee has laid out are the challenges facing us, then Mr Leong's proposal of the Affordability Housing Scheme (AHS) does not quite solve any of them. His scheme also raises more questions than it answers, as many Members, including Mr Xie Yao Quan, Mr Sitoh Yih Pin, Mr Raj Joshua Thomas, Ms Carrie Tan and Mr Lim Biow Chuan have been quick to point out.

I do not wish to recap too much of the scheme, because I think many Members have done so. Suffice to say, that the scheme has attracted much comment, and yet, I think it has also perplexed commentators, because it is not so clear whether it really will be attractive to applicants or not. And if it is attractive to applicants, I think that commentators see problems and if it is not attractive to applicants, I think there are also problems.

What do I mean by that? So, for instance, if there are a lot of applicants, then perhaps, they are attracted by the super low price upon entry. However, there is also a very high clawback consisting of the land cost if they wish to sell. And at the point of entry, because if the low prices really do attract applicants, we can imagine that it will also attract many applicants. But if there is a lot of demand, then does that not make it harder for first-timers to get a flat? And does that not worsen the current concerns that some have about accessibility?

And for those who may wish to one day sell, because the clawback is very large, and as Members have pointed out, this is a clawback on a cost base model, not the affordability model that we currently price BTOs on – so, it is possible that prospective sellers of these flats are actually looking at a much higher price that they have to pay to the Government, if you add everything up together. In fact, a paradoxical feature of this scheme is that you buy when you sell, or you sell when you buy.

If they are not able to muster the financial resources to sell, then what are their options? What does this mean for those who actually do want to exit, or they want to upgrade, or move somewhere else? Are they able to find buyers who are willing to pay a very high price? And also, should there be strong demand amongst applicants, Members have also pointed out the implications of upheaval in the resale market and they are concerned that the value of existing home owners' assets would also be negatively impacted.

That is if the scheme is attractive to applicants. If the scheme is not attractive to applicants, also for the reasons that commentators have pointed out, I think that is also a concern, because then would that not mean that, young people included, applicants would abandon the public housing scheme? And how is that also better for Singapore on the whole?

So, that is probably enough said about the perplexing nature of the BTO pricing scheme.

I think it is important to also address another prominent element in it. Many Members, including Members from the Opposition, have cited fiscal sustainability concerns and we are very glad to see convergence on this important issue.

But this prominent element in the "Affordable Homes Scheme" (AHS), which Mr Leong proposed, does not quite meet the test of sustainability. Under the scheme, the land cost is not paid if the applicant or the person does not sell the flat, but this is a draw on reserves. In fact, from the get-go, we can think of the scheme as a prepaid rental scheme leveraged on past reserves, because as long as the person is living in the flat and he is not selling it, he is not able to realise any gains or any value, and it does not seem that he has the rights of ownership.

HDB must pay for the cost of the land used to build flats. It is simply incorrect to say that the land on which HDB flats are built should be treated like the land on which public infrastructure is built. Although we call it public housing, the use of the flat is exclusive to the household that owns it. And this is completely different from public infrastructure.

More importantly, HDB flat owners can sell their flats if they wish, and keep the proceeds, but we cannot break public infrastructure up, sell it off and pocket the proceeds as individuals.

Let me move on to another proposal that Mr Leong has put forth. The "Millennial Apartments Scheme" to appeal to young people who are not yet ready to buy their own HDB flat. Mr Louis Chua and Assoc Prof Jamus Lim have made similar points.

The Government has heard a range of suggestions in our Forward Singapore conversations and we will be studying them and some of these suggestions also relate to similar ideas. We are sympathetic to the aspirations and diverse needs of our young. But we have good reasons for keeping subsidised rental housing very targeted, for families who cannot afford home ownership.

Home ownership remains an important goal of public housing as it gives Singaporeans a tangible stake in nation-building and also boosts their financial security, especially in retirement.

Paid rent, even if subsidised, is a consumption expense that could have gone towards financing home purchase. And compared to subsidising rental as a lifestyle, subsidising home ownership brings more benefits, especially if it is for the majority of Singaporeans for whom home ownership is attainable.

PSP and WP Members, who have spoken on their concerns about retirement adequacy, ought to appreciate how having one's own home protects us against the uncertainties of the rental market. I will speak a little bit more about that later.

And we are doing our utmost to ensure BTO flats continue to be accessible and affordable to younger buyers.

Several Members have identified resale prices as a concern. And here, I wish to make a distinction between the long-term trend in resale prices and the short-term spike that occurred during the pandemic.

Resale prices have moved up over the long term, certainly more than BTO prices have. That is because we changed the basis of calculating HDB loans since 1993. Instead of giving out HDB loans for resale based on the posted price of new flats, we began to provide HDB loans based on the market valuation of the actual resale flats. This is a good thing for HDB home owners, because they would otherwise not be able to benefit from the fully realised market value of their flats.

Over the long term, resale prices reflect broad economic conditions and income levels. Ideally, prices should be stable, with as few sharp fluctuations as possible.

What about the buyers of resale flats? We recognise that some first-timers do turn to the resale market instead of buying direct from HDB. And this is why the Government provides grants to make resale flats more affordable to eligible buyers. We believe this approach is fair to both sellers and buyers – allowing homeowners to enjoy the full value of their asset and yet also giving some help to buyers to bridge the affordability gap.

These points I have made about resale are relevant to my next topic, a concern that the PSP's curious BTO pricing proposal is purported to resolve and that is liberating more CPF from being deployed for housing purchase, and thereby improving retirement adequacy.

The PSP claims that as the value of a home owner's flat falls as the lease diminishes, and since much of his CPF savings had been used towards the flat's purchase, retirement adequacy is at risk. And Assoc Prof Jamus Lim appears to share similar thoughts.

This claim is flawed and has to be clarified.

Helping Singaporeans achieve home ownership and retirement adequacy are both important goals for the Government. Hence, our CPF and HDB policies are closely inter-linked.

Owning a HDB flat that can last us for life is, in itself, important for retirement security. Why? Because the retiree would be assured of a home without having to rent accommodation.

The flat could potentially also be monetised to supplement living expenses, through renting out a room, the whole flat, or through the Lease Buyback Scheme. And this is why we allow the use of the CPF Ordinary Account (OA) towards housing purchase.

But we do not depend on home ownership alone for retirement needs and this is why CPF policy is also focused on helping individuals secure a lifelong cash payout through CPF LIFE.

CPF monies cannot be channelled wholly into housing purchase. Your Special Account (SA) is safeguarded, and as you grow older, more of your CPF contributions will need to go to SA rather than OA. There is also a limit to how much you can draw on the OA for your HDB loan.

For BTO flat owners who took HDB loans, HDB does encourage those who have the means and are able to do so, to make early repayments. The earlier they repay the loan, the more they can save on the accrued interest.

And many are able to do so. The average tenure for those who have fully paid up their loans is 17 years, while their average original loan tenure was 23 years.

Mr Leong advocates for Singaporeans having the Basic Retirement Sum (BRS) in CPF without having to downgrade or sell part of their lease to the Government.

Today, we expect about eight in 10 active CPF members turning 55 in 2027 to be able to set aside at least the BRS in their Retirement Account and hence, receive the corresponding BRS payout or more. And that is without having to right-size or monetise their HDB flat.

Of the remaining two in 10, a significant proportion will be expected to accrue additional contributions through employment from age 55 so that they could receive similar payouts at age 65 as those who set aside the cohort BRS when they were at age 55.

Many seniors also receive additional retirement support from their loved ones and from their private savings.

For members with less in retirement, the Government can provide additional support, such as the Silver Support Scheme.

I should add that individual prudence in housing choice is also relevant here. CPF Members who choose not to max out their OA use towards housing purchase and thus set aside more savings for retirement can look forward to higher CPF LIFE payouts.

Assoc Prof Jamus Lim expressed concern about the scenario where a home owner has bought a lease that he is likely to outlive. Will his retirement be less secure? The Government has already considered this possibility and put in place safeguards.

Notwithstanding the fact that 99% of those owning a HDB flat now can live in it till age 95 or more, we recently refined our policies to make it even less likely that a Singaporean would outlive the lease of his flat while also not having a significant CPF LIFE payout.

Those purchasing a flat whose lease can last them till age 95 can obtain the maximum CPF usage and HDB housing loan, while those buying flats with shorter leases would have CPF utilisation and HDB loan amount pro-rated.

Having a lease that lasts the buyer till age 95 is also a condition for withdrawing CPF savings above the BRS.

So, we have policies in place to safeguard Singaporeans' retirement adequacy, which do not rely on whether the value of their flat holds or appreciates.

Still, I can sense a conundrum behind some of the speeches that Members have made, which is how do we reconcile the phenomenon of appreciating flat values with the fact of eventual lease expiry? Allow me to address this briefly.

Yesterday, Assoc Prof Jamus Lim provided a handout showing how the value of a HDB flat with 94 years left on the lease would gradually rise and then decline from 2023 to 2116. He acknowledged the effect of inflation, but he left out the impact of strong economic fundamentals and rising incomes on the value of our flat. These are important drivers of resale prices.

How do we achieve this? Well, unity, hard work and good policies would help to continue creating favourable economic conditions for Singapore. Now that our economy is more mature, growth rates cannot be as fast as in the past, but we still work towards delivering a better life for Singaporeans, which would include improvement in incomes. Getting this right would mean that the value of this flat would continue rising for a considerable time.

So, on Assoc Prof Jamus Lim's chart, the trajectory of value appreciation continues, I believe, for more than 60 of the 94 years, before it begins to fall beyond its original value. I hope I got it right. I am pretty sure he drew it to scale. I hope so.

And 60 years, that means a 30-year-old who bought this flat on the resale market in 2023 can see asset appreciation over his lifetime.

Our policies allow this buyer to fully realise the value should he chose to monetise by selling – which would not be possible if we mistakenly view rising resale prices as a bad thing to be curbed at all cost. At the same time our policies are also flexible in providing monetisation options while ageing in place, such as through renting out rooms or Lease Buyback.

This is the reason why although the value of the flat must go to zero after 99 years, that same flat can be a good store of value over a buyer's lifetime, over the owner's lifetime, and possibly more – so even his children might benefit to some extent – just not over his grandchildren's lifetimes as well. But his children and grandchildren will get Government support in turn to buy their own HDB flats and benefit from having a tangible stake that also appreciates in value.

Mr Speaker, I have also explained how our policies put brakes on the purchase of leases that owners are likelier to outlive. So, I hope this reassures Singaporeans who are worried about claims that they will be stuck without recourse when the lease of the flat they bought expires on them.

Which brings me to a favourite theme of Mr Leong's – SERS, VERS and trying to make Singaporeans unhappy over the plain truth that 99 years is 99 years. He has not forgotten to riff on this theme during this debate too.

I have explained how HDB flats hold their value well and can even appreciate over the owner's lifetime, albeit not necessarily the entirety of his children's lifetimes and certainly not his grandchildren's lifetimes.

The Government has been upfront about this with Singaporeans. It is Mr Leong who has been creating ungrounded expectations by trying to convince Singaporeans that it ought to cost them little or nothing to extend the length and value of their leases when it approaches zero.

It is the benchmark by which he has been judging SERS and VERS, and unfairly too, because that is simply not their purpose.

If market valuation does not deliver the windfall outcome that Mr Leong so celebrates, then who will deliver it? It becomes a cost that taxpayers should bear. This is something which Mr Murali Pillai has also pointed out yesterday.

Mr Leong does not acknowledge that what he is encouraging Singaporeans to expect would create an extended benefit that lasts indefinitely over generations, nor does he explain how this is fair. Because he cannot.

Our policies already equip every generation with the opportunity to own homes and benefit for more than one lifetime. We all cherish this deeply.

The fair and sustainable thing to do would be for land and buildings to be redeveloped after lease expiry, so that a new generation of Singaporeans can have the same opportunities too, whether or not they were lucky enough to inherit advantages from their parents and grandparents.

Mr Speaker, I would also like to address some points about affordability that other Members have made. Mr Leon Perera and also, I believe, yesterday, Assoc Prof Jamus Lim have put forth this suggestion that perhaps the HPI for non-mature estate 4-room flats should be three, that is, an HPI of three and not an HPI of five.

I would like to share that actually, the HPI is not our only affordability target. There is another one, which in fact just now Prof Hoon Hian Teck alluded to – which is the mortgage servicing ratio or MSR.

Nine in 10 first-timer BTO flat buyers who collected their keys to non-mature estate flats in 2022 had an MSR of 25% or less and could service their loan fully with CPF, without cash.

This, we believe, is also a very good complementary affordability target, particularly because it demonstrates the unique benefits of our CPF system when it works in tandem with our housing policy.

However, let us address his question of whether the HPI should be five or four or three because I believe it was the subject of some lively back and forth earlier in the day between I believe Mr Leon Perera and Mr Xie Yao Quan.

I think whether or not the HPI should be four or three, as long as the current target is about five, I think any number that is below five must look attractive to buyers. But, of course, there will be some trade-offs. I think it is also in the spirit of what Workers' Party Members have mentioned. They are concerned about fiscal sustainability, that we also consider some trade-offs.

In fact, in the spirit of leaving no stones unturned, this is also a question that my colleagues and I have been asking ourselves. Sir, we have done some projections. What would it take to bring the HPI down, say, to three?

There is an estimated fiscal cost because additional subsidies would be required in order to make this happen. Based on our projections, it comes up to more than \$2.3 billion per year. This would be the equivalent of about 20% of our annual healthcare expenditure or about one third of what we spend annually on general education.

If our Members are curious as to what this means in terms of additional revenue that has to be raised through taxes, this is more than the value of the 1% increase in GST. It is more like 1.3%. Mr Speaker, in Mandarin, please.

(In Mandarin): [Please refer to [Vernacular Speech](#).] Mr Speaker, housing policies and home prices are hot topics. There has been much discussion and varied viewpoints among the public. This Parliamentary debate provides some opportunities for us to clarify public discourse.

First, has our public housing policy gone terribly wrong? Has it veered from its mission, requiring a full reset? This is PSP Member Mr Leong Mun Wai's point of view.

Minister Desmond Lee has made clear in his speech yesterday that HDB has ensured the affordability and accessibility of flats, especially that of BTO units in non-mature estates. We have been building HDB flats at a faster rate than HDB residential population growth, while generally keeping to affordability targets.

Our building programme was suspended at one point due to COVID-19, resulting in a short-term crunch in the supply of new flats. Many home-buyers turned to the resale market and with shifts in the demand for living spaces during the pandemic, we saw a simultaneous increase in demand for both BTO and resale flats. Resale prices have risen rapidly too. MND and HDB have been working on increasing supply and moderating demand, to restore balance and stability in the market as quickly as possible.

In his speech, Mr Leong was not able to substantiate his view that public housing policy has gone terribly wrong. He also suggested disregarding land costs so as to sharply reduce the prices of new flats. If one plans to sell his flat in the open market, he will have to refund the land cost to the Government. This suggestion does not address objective reality and hence offers no solution to current issues. Not only does it do nothing to relieve the current shortage in housing supply, it may in fact trigger further demand, and can cause serious impact on resale prices. Furthermore, the plan contradicts itself in places, resulting in many doubts raised by Members.

Second, are Singaporeans over-committing their CPF towards housing? If flats are not able to hold their value and if homeowners are not able to fully refund their CPF account after selling their flats, would it mean that CPF members have lost out? Is this not an argument for drastically reducing housing prices? The handout which Mr Leong distributed in Parliament yesterday propagates this spurious argument.

This is not how we should be looking at this issue. The CPF system was designed to support home ownership as well as provide lifelong monthly payouts at old age. This is why other than the Ordinary Account which can be used for housing purchase, we have the Special Account and Retirement Account which cannot be used for housing purchase. In addition, there are limits on how much Ordinary Account savings can be used towards housing.

Having a flat of one's own has a positive impact on retirement security. Hence, the amount of CPF used towards housing purchase would not be in vain, regardless of whether the value of the flat goes up or down.

With a home of our own, we no longer have to worry about renting accommodation. When necessary, one can monetise by renting out a room or tap on the Lease Buyback Scheme. Even if the homeowner does not monetise or sell his flat, he can still receive lifelong monthly cash payouts through CPF LIFE.

It is estimated that eight in every 10 active CPF members turning 55 in 2027 will be able to set aside the Basic Retirement Sum (BRS) and receive the corresponding BRS payout, and this is without having to monetise their HDB flat. For members with low CPF balances, the Government can provide support through other assistance schemes.

Of course, we should be prudent when making a home purchase and have a good understanding of the trade-offs involved. If our attitude towards CPF is to "use as much as we can", then naturally we will have less in our CPF account and our monthly CPF LIFE payout in future will be correspondingly lower.

Whichever the case may be, we should not perceive our CPF as "suffering a loss" because of home purchase.

Third, while a HDB flat may continue appreciating in value over the years, what should the homeowner do when the 99-year lease expires and value inevitably becomes zero? Is it the case that the only acceptable solution is to conjure up a large compensation sum for the flat owner to buy a brand new flat? This is the political issue that Mr Leong Mun Wai has been enthusiastically stirring up, with the intent of making people anxious and unhappy.

The Government would never mislead the public. 99 years means 99 years. It is common knowledge that home value will fall to zero when the time eventually comes. But 99 years is a very long time for a flat buyer, sufficient to cover his lifetime. Over this long period of time, his flat value is very likely to keep appreciating for considerable length of time. And how long is that? WP Member Jamus Lim shared a chart based on his own calculations. He cited a flat with a remaining lease of 94 years as an example and assessed that this flat will appreciate for more than 60 years before dropping in value.

If the buyer bought the flat at the age of 30, over the course of his lifetime, the value of this flat will go up. If his child lives in the flat with him, then the child would witness the growth in the value of his parents' flat over the decades while growing up, and for some of his adult years. The child would have aged by the time the value of the flat started to depreciate.

Why do flat values appreciate? Member Jamus Lim said this is due to inflation. Actually, he omitted a few important factors, mainly good economic conditions and rising incomes.

If we stay united, support sound, rational policies and work hard, we can continue to create favourable economic conditions and pursue better incomes for all.

As long as flat buyers do not buy flats whose leases are too short, it is entirely possible to enjoy the benefits of an appreciating asset throughout their lifetime.

By the way, what about cases where the flat owner outlives the 99-year lease of his flat? The Government has already thought of this and adjusted our policies in recent years, putting in place more restrictions in the use of CPF to buy flats with shorter leases, to make such situations less likely.

Hence, the same flat is very likely to bring the benefits of an appreciating asset to the flat owner over his lifetime and to an extent, part of his children's lifetime, although certainly not his grandchildren's lifetime. Afterall, 99 years is not that long. However, the flat owner's children and grandchildren can buy their own flats and, with support from Government policies, benefit from the appreciation of their own assets.

Mr Speaker, I hope these answers address the doubts in the public's mind and provide them with greater awareness of and stronger confidence in our public housing policies.

(In English): Back to English. Mr Speaker, Sir, Mr Leong and the PSP have not shown that our housing policy is in need of a reset and the proposal they put forth does not address real issues that we are working hard to address today. I therefore cannot support their Motion.

However, the debate thus far has been helpful in drawing out views that are on the minds of many Singaporeans. I thank Members, especially PSP and the WP, for the opportunity to reaffirm the Government's approach towards home ownership, retirement adequacy and fairness across generations. Sir, I support the Motion standing in Minister Desmond Lee's name. *[Applause.]*

Mr Speaker: Assoc Prof Jamus Lim.

6.41 pm

Assoc Prof Jamus Jerome Lim (Aljunied): Mr Speaker, I do have two specific questions for Senior Minister of State Sim Ann. With your indulgence, if I may just have half a minute because I was at a Meet-the-People Session last night when the hon Member Vikram Nair had posed two questions to me and I hope to just have a quick minute to respond to them.

First, he stated that I agreed with the proposal by the hon Member Leong Mun Wai that land cost should be separated and charged at the point of sale. Just to clear, what I had said was that doing so was but one approach. I even suggested a different approach, which the Workers' Party favours – that land be priced after setting a target multiple of new home owners' salaries.

Second, Mr Vikram Nair had also explained that the Bala's Curve was not an accurate description of the secondary market. In fact, I fully agree and that is why I had included in my handout the alternative, which is where prices rise due to incorporating rental inflation. But most crucially, that chart also shows how house prices can become unhinged as inflation rises, which was the thrust of my argument as well as my concern.

On to Senior Minister of State Sim Ann's argument. Just to be clear, we are not dismissing the valuable benefits that accrue to those who choose to in fact own. Besides capital gains, they can also enjoy the flexibility of interior design, which many Singaporeans do exercise. But I think she would agree with me that there are also costs, principally, when one over-invests in housing and they forgo other potentially higher return assets. Would Senior Minister of State Sim Ann argue that Singaporeans should thereby focus the vast majority of their retirement assets and hopes primarily on real estate?

My second clarification has to do with the fact that I am glad she referred to my chart. It really warms my heart, just my heart. *[Laughter.]* But notice that once we actually reach the 60 years or so, the only way to end up extracting the value is to sell it onto someone else so that we can actually retire comfortably by extracting that value.

The question is, we are selling on a rapidly depreciating asset. What is the Government's plan, at least at the macro level, to prevent creating a generation of home purchasers who have bought at the tail end just before the music stops?

Ms Sim Ann: I am also very heartened that Assoc Prof Jamus Lim brought up this point. In fact, I really should have mentioned it earlier to thank him because he pointed out, indeed, that when flats reach the tail end of their leases, when you are talking about 20 years, 30 years left – you have made the point that it is very difficult to sell, is it not?

That is the generosity of VERS. The Government comes in as the purchaser of last resort, when no one else would actually purchase and give the flat owner the remaining value of the lease. At that point in time, even if you had value, would the private market realise it for you? Well, if the Government thought that the private market would do it, we would not be offering VERS.

This is also the reason why I want to mention this because I really hope that Mr Leong Mun Wai can be fairer to VERS. The benchmark with which he has judging SERS and VERS, but especially VERS, has been most unfair.

You talked about whether or not having so much of our income used towards housing purchase, would that not free up our resources to do other pursuits?

I think so, I think it would free up our resources to pursue things that we seek in lieu of the security that housing would bring in the first place.

This is a very strange argument because it totally ignores the importance of housing towards building up financial security, retirement security – something that I was at some pains to share with the Member.

So, if you did not have that, well, would you be doing other things? You sure would because you would be looking for other ways to make sure that you are able to deal with the vagaries of retirement life. Surely, you will be pursuing ways to find other means of security; you will be concerned about how you are going to deal with your living expenses; you will be concerned about being set loose upon the rental market and so on and so forth. Would you be doing a lot of things to maintain your security in such a situation? I would assume so.

As for the point that Assoc Prof Jamus Lim made, the first point, about how you did the chart, I would also like to ask him a clarification. How does what he shared negate my basic point, which is that I recognise that his chart shows that value goes up and then eventually down?

Mr Speaker: Assoc Prof Jamus Lim.

Assoc Prof Jamus Jerome Lim: Mr Speaker, just to be clear, I think Senior Minister of State Sim Ann misunderstood what I said when I talked about the opportunity cost. I was not talking about the opportunity cost of retirement time, for which I am sure we all have plans. But rather the opportunity cost of investing too much in real estate and thereby foregoing investment in other higher-return assets, such as equities, for instance, which in general have higher returns than real estate. That was my first point.

The second point she asked was about whether I would acknowledge that the first part of the chart was actually high. Yes, in fact, the very reason why I modelled the chart in that fashion was to try to capture the realities of the secondary market. The concern that I have is that we may be over inflating; and the last thing we want to do is to encourage a bubble to grow even further. That is my concern.

Ms Sim Ann: I think Assoc Prof Jamus Lim, being an economist, would understand the fungibility of assets and of resources. And if a Singaporean was able to achieve financial security in the form of a home, you consider it perhaps over-investment, but when you have the home and you have the security, you have the options to monetise, is that not worth something? And does that not in itself, also free you up for other pursuits?

In fact, I find this argument that because you are investing in homes you cannot do other things – I think that Assoc Prof Jamus Lim is turning a blind eye to the fact that actually, you do need to have the security; you need to have the options. And I have also laid out all the options and that alone allows you to pursue many other things that you could not if you did not have housing security.

Mr Speaker: Mr Leon Perera.

Mr Leon Perera: Mr Speaker, Sir, I thank the Senior Minister of State for her speech and her replies. I initially did not want any clarification, but since the Senior Minister of State brought up VERS, I thought I would just ask one point of clarification.

I think the Senior Minister of State has affirmed the important role that VERS is playing within this whole ecosystem of housing policies, as she alluded to, if I understand her correctly, to sort of backstop the resale prices from plunging too catastrophically when they get past year 60.

So, can I clarify with the Senior Minister of State if the Government going to offer VERS to all blocks of HDB flats in Singapore? That is just one simple question.

Ms Sim Ann: My reply to Mr Leon Perera: I am glad for your interest in VERS. Please stay tuned.

Mr Speaker: Mr Pritam Singh.

Mr Pritam Singh: Mr Speaker, just a quick question for the Senior Minister of State. I may have missed the point that she was making about HPI. She said any number below 5 looks attractive. I believe this is what the Senior Minister of State had said. Can I just confirm if she was referring to the resale prices, or to the BTO prices? And if it referred to non-mature BTO prices? I am not quite clear when you say HPI below 5, which category of flats you are referring to – resale or BTO?

Ms Sim Ann: Actually, Leader of Opposition, I was referring to the points that I believe your Members have raised. Assoc Prof Jamus Lim and I think, Mr Leon Perera, I believe they were reacting to the charts that Minister Desmond Lee showed yesterday which was about HPI of 5 and that is for non-mature estate flats.

And they have, I believe, also raised an alternative target – instead of HPI 5 for non-mature estate BTO, how about HPI equals 3 for 4-room non-mature estate BTO. So, I think, actually that basis came from your Members.

Mr Pritam Singh: I thank the Senior Minister of State for that. I asked the question because in 2013, Mr Khaw Boon Wan spoke of the HPI and wanting to ensure that the HPI comes down to 4. That was why I was asking the question to the Senior Minister of State. When she said anything below 5 is affordable, is that a shift of the Government's position?

Ms Sim Ann: To the Leader of Opposition, I was referring to the fact that currently, what we have shown is that we have kept to 5 and in the context of your Members asking: how about 3 – how about considering 3, I was trying to explain that it is not to say that there is any number that is naturally compelling, but that if we are talking about how to peg affordability, I think there is some judgment involved, and I think to buyers, we understand that to buyers, lower prices would always be more preferred and more welcomed. That is the point I was making.

Mr Speaker: Deputy Leader, move for Exempted Business.

EXEMPTED BUSINESS

(Business Motion)

Resolved, "That the proceedings on the business set down on the Order Paper for today be exempted at this day's Sitting from the provisions of Standing Order No 2." –
[Mr Zaqy Mohamad]

AFFORDABLE AND ACCESSIBLE PUBLIC HOUSING, AND PUBLIC HOUSING POLICIES

(Simultaneous debate on both Motions)

Debate resumed.

Mr Speaker: Mr Gan Thiam Poh.

6.53 pm

Mr Gan Thiam Poh (Ang Mo Kio): Mr Speaker, Sir, a resident once asked me to ensure that the Government kept the prices of HDB BTO flats low, like what she paid in the past, so that her children could afford them. She, however, also requested that she could sell her existing flat high in the resale market so that she could make more profit for her retirement. It is quite ideal to her.

However, if you think further, someone will have to pick up the bill, the question is: who is going to pay for and bear the burden of the difference? Ultimately, it is the taxpayers – our children, our grandchildren.

HDB flats have evolved to provide not only roofs over our heads but also to support retirement as part of our social safety net.

I am very much in support of the measures for retirees to support their retirement needs through the Lease Buyback Scheme and renting out of rooms as an option. These are workable as there is a market premium. There are serious concerns if nobody will want to pay the market premiums for Singapore's properties and HDB flats.

Despite the availability of cheaper options even in other countries around Singapore, investors are willing to pay premiums for our properties as they have included other intrinsic values, such as social and home security, environmental friendliness, infrastructural convenience, supporting amenities and so on and so forth.

There are many factors that affect the prices of properties, but the main one is demand and supply. Land on our small island is limited. However, in tandem with our dynamic economic growth and generally optimistic outlook for our future development, the demand is strong. Hence, the value of our land and properties has risen correspondingly.

For today's debate, the focus is on HDB flats, which house about 80% of our resident population. The land which HDB flats stand upon have increased in value. HDB building quality and maintenance also help to hold their values vis-à-vis private properties.

The current policy that all land sale proceeds will have to return to our national reserves is a wise approach. It is fair that the premium and costs of the land sales are to be shared by all Singaporeans. This would prevent the Government of the day from finding an easy way to finance the national expenditure. In addition, there is a risk that the Government would have less incentive to cool a rising property market if it relies on land sales to fund expenditures.

Mr Speaker, if we were to consider the proposal by hon Members, Mr Leong and Ms Hazel Poa, that we exclude the land value in the pricing, may the hon Members then share their views on how we would then address and ensure the fair allocation of flats among Singaporeans? There will be other questions arising from there for the public and for the residents. Will there be allocation based on family size, based on standard sizes of flats and so on. In their Members' proposal, the result will be likely that there will not be any more resale market.

How would the Members propose to look after Singaporeans who want to age in place and also need cash for retirement as they are left with residual values of the construction cost? Members have to address what will be a fair residual value and if it is a straight-line depreciation, or heavy front-load and light-back?

What about residents who want to right-size to smaller flats to monetise the value for retirement, and also to have smaller flats to maintain?

I heard the clarification by the hon Member that the residual value is required to pay back the land cost plus interest even when the person has departed. I think it is quite sad that even when the person has departed, payment is still required. I think it is good to avoid that.

The proposal to only consider the locations for the price differences in itself has clearly indicated that one has accepted that there is indeed a premium for land value, notwithstanding that there are premiums for other factors too.

In fact, the current policy not to peg the BTO prices to the market price but at around 25% mortgage servicing ratio (MSR) of the applicant's income is better, with additional grants to first-timers to ensure that the flats are within their reach and the price of BTO is based on income and not market price. We will be better able to address Singaporeans' concern and fear. The 25% MSR is lower than the international affordability guideline of 30% to 35% MSR.

Furthermore, Singaporeans can use their CPF to service their mortgage without the need to pay, using cash or only using minimum cash outlay.

In addition, residents are grateful that HDB has been working with CPF to keep the HDB housing loan rates unchanged despite that the market interest rate has been rising for the past one year. It has provided great support for most Singaporeans in the face of the challenging market currently.

On the other hand, we need to guard against the price-gap between HDB prices and private property prices widening, and the Government continues to ensure that flats remain affordable for Singaporeans.

The Ministry must be careful not to leave the prices of private housing unchecked. This will require the Government to continually look into further regulation and cooling measures.

I would suggest that the Government may need to review the tax on profits made by the sellers of property and HDB flats and increase the grants to first-timers in addition to increase in supply to achieve both objectives to check on runaway prices without fundamentals while supporting our first-timer Singaporeans to own their home.

It is certainly unhealthy and worrying if HDB resale prices and private property prices are rising without fundamentals. However, I understand there are also negative sales in the market. Would the Minister share what are the negative sales for each of the last five years, if data is available?

There is no doubt of the need for us to continue our efforts to ensure affordable homes for Singaporeans and remain committed to our mission of homes for everyone “居者有其屋”. We are not just building housing but also endearing homes for all Singaporeans. With that, I support the Motion by Minister Desmond Lee.

Mr Speaker: Ms Mariam Jaafar.

7.01 pm

Ms Mariam Jaafar (Sembawang): Mr Speaker, I thank the Member Mr Leong Mun Wai for bringing this debate to Parliament and the Minister for National Development for filing a Motion in response to be debated together.

When it comes to a topic like housing, something that has such a disproportionate impact on our lived experience and which holds so much of Singaporeans' wealth, it is important to get the facts on the table and to flesh out the arguments rigorously, responsibly and grounded in reality.

We have had a broad subject before us and it has been a long debate. I am going to focus on getting first-time buyers on the home ownership ladder. It is where everything starts. I will start by reaffirming the importance of home ownership, before sharing my views on the present situation and some proposals for consideration.

Mr Speaker, I have lived and worked in many big cities, from Jakarta to New York City. And the idea that a city-state such as ours could achieve over 90% home ownership has been a great source of pride as a Singaporean abroad.

Home ownership allows people to settle down, to start families, to grow old, without the fear of having to move from place to place when the landlord wants to raise the rent. Home ownership gives people something to be proud of, something they can make as an expression of their selves. And home ownership provides ordinary Singaporeans, regardless of income or family background, the opportunity to build an asset and to build themselves up. For HDB homes, home ownership provides the ultimate security, something to fall back on, the one thing that cannot be taken away even if you go bankrupt. Finally, home ownership anchors people to Singapore, gives them a stake in our nation's continued development and a reason to defend Singapore.

For all the above reasons, home ownership must remain not just the Singaporean dream, but the Singaporean reality.

But that reality appears to be challenged today. Rising resale prices and rents have sparked debate about whether public housing is still affordable. Housing related appeals make up a third of our weekly Meet-the People Sessions (MPS) case volume for me, and for many of my parliamentary colleagues.

There is genuine concern among young Singaporeans and their parents whether they will be able to afford a flat. I hope that the Minister's explanation of how HDB keeps BTOs affordable has reassured them. Because, and this is why I am rather bemused by the more far-reaching proposals to bring BTO prices down, the core problem today is not overall BTO affordability.

The real issues to solve today are: (a) BTO shortage and long waiting times, driven by, as we have said, COVID-19 disruptions and construction delays; (b) a shifting BTO mix with a higher proportion of BTOs in mature estates against expectations of home buyers; and (c) high resale prices partly driven by the supply-demand imbalance which is itself partially real, partially induced, partly by nearly a decade of low interest rates. Taken together, these three issues mean some people find they cannot get the flat they want, BTO or otherwise.

Allow me to say a little more about the BTO mix issue. We are reaching the development limits in many areas, even in some non-mature estates, including in my own constituency, Woodlands. We also have more BTO configurations to cater for, to more diverse needs, for example, the needs of seniors and singles.

While 20,000 new BTO flats used to mean pretty close to 20,000 less expensive flats in non-mature estates, in the August 2022 launch, more than 60% of the 3- to 5-room flats on offer were in more expensive mature estates, including the PLH. This creates the perception that BTOs are getting more expensive overall, when in fact BTO prices in non-mature estates have not gone up so much. As the hon Member Mr Cheng Hsing Yao has eloquently explained, there is good reason why flats in mature estates cost more and to suppress BTO prices in these mature estates would create unfair windfall gains for a small group – a situation that HDB rightfully guards against, in setting BTO prices.

This shifting BTO mix has different implications for buyers who want to buy in a mature estate and those who want to buy in a non-mature estate.

For the first-time buyer who wants to buy a BTO in mature estates, they now have more choices, if they are prepared to pay the higher price. The innovations in the PLH model provide a useful reference to explore more ways to make them more affordable.

For first-time buyers who want to buy a BTO in a non-mature estate, the supply is sometimes not as high as it used to be. Many of my residents, first-time buyers but also second- or third-time buyers who come to see me at my Meet-the People Sessions want to stay in or near Woodlands. It is cheaper, closer to their parents and support networks, and, dare I say, we have done a pretty good job of making Woodlands a nice place to live, with noticeable improvements in connectivity and amenities.

In the last BTO launch in Woodlands in August 2022, Woodlands South Plains, the application rate was 8.1 and 11.7 applicants per unit for 3- and 4-room flats respectively versus 2.7 and 6.1 for the Bukit Merah PLH BTOs. Some of my residents try again and again for BTO and Sales of Balance Flats. One couple told me they had applied 11 times, because they want to stay in or near Woodlands – that is their expectation. But resale has become too expensive for them, especially with the recent sharp rise in interest rates and lower loan values.

And even if they can afford it, when resale prices get so far away from BTO prices, it creates another issue. Those who get BTOs can make huge profits when they sell, those who do not get BTOs have much less upside, even with all the grants. Plus, because BTOs are such a good deal, everyone wants to jump in. So, it is not just a housing affordability issue; it becomes a fairness issue and an incentives issue.

Mr Speaker, I will move now to solutions. In a debate on housing though, it can be difficult to distinguish between fact and opinion. We have heard a lot of opinions and I will add my opinions to this. But first allow me to lay down one fact. There are currently approximately 1.1 million HDB flats; and that means 1.1 million HDB households for which their flat represents a significant part of their wealth. And so, any proposal that ignores this fact or is cavalier about the trade-offs that ensue are really non-starters – lacking in rigour, responsibility and realism.

I listened carefully to the proposals presented by PSP and WP for significantly cheaper BTO prices. I cannot help but feel a sense of disquiet at how they gloss over the potential disruption to the wealth of 1.1 million Singaporean families, families that comprise low-income, middle-income and affluent families. I hope the PSP in particular, will clarify how they imagine the resale market will remain “buoyant” and address the need for people to upgrade or downgrade as their life circumstances changes, under their proposed affordable housing model.

But lest anyone think that I am somehow afraid to touch the resale market, quite the contrary. I believe the resale market is part of the problem and has to be part of the solution. And I also believe that the problems faced by the first-time buyers is not the problem of the first-time buyers alone. There is a huge social benefit of housing and a huge social cost of housing delays – on fertility rates, on how well kids can focus and do in school, on productivity and mental well-being. In the kinder, gentler, more inclusive Singapore that so many of us have talked about in this House, these social costs will only result in more Government expenditure down the road.

Thus, in my vision for a new social compact, everyone in the housing market should be willing to play their part.

Home owners should not necessarily expect that the value of their flats will increase inexorably year after year because housing goes in cycles. Landlords should not push to maximise their rents or prices at all costs. Buyers should not be jumping into the BTO market when they do not really need a flat, just because they can. And HDB should revisit the balance of financial costs and benefits of housing policies with the social and environmental costs and benefits.

So, the resale market has to be part of the solution. But if the market is a bubble, the more responsible way is to take some of the air out, bit by bit, through carefully calibrated measures acting in concert, in both the BTO and the resale market.

First, my suggestions for the BTO market. The BTO model was created to prevent the supply overhang in the 1990s from being repeated. And it has served us pretty well until recent times. The current waiting times are an anomaly. Prior to COVID-19, it was three to four years. Yes, a three- to four-year wait was less than ideal for some, but the model largely was passable for most. HDB has also shown itself to be responsive to the needs of first-time buyers by introducing Short Waiting Time (SWT) flats, announced as early as 2017, albeit in small numbers.

So, I do not believe the BTO model is fundamentally flawed, though I hope the waiting time can go down. I have confidence that the building programme will bring the BTO market to pre-COVID-19 norms in the next couple of years. I am also comforted to hear the Minister speak about building more SWT flats and over time, recalibrating its building programme so that SWT flats form a larger proportion of new flats.

But the problems we see today would still be there if another COVID-19 happens even if we had a lot more SQT flats. And contrary to the Member Ms Hazel Poa, I actually do not think it is quite so easy to predict demand, given the number and dynamism of the factors at play. Further, as supply chains in other industries have learnt following the pandemic, there is a need to strengthen resilience against potential black swan events going forward.

There is a financial cost to building what is effectively surplus flats to the demand forecasted. But if we really take into account the social benefit of housing and the cost of housing delays, there is potential merit in maintaining a safety stock of readily-available or some might say, Zero Waiting Time flats, while maintaining a baseload of BTO and SWT flats. These Zero Waiting Time flats would increase the responsiveness of housing supply, which will help achieve better outcomes, including helping moderate housing prices, provide for population growth and improve choice.

A further suggestion for the BTO market that seems worthy of further consideration is building shorter tenure flats, say 50 years as in the case of the Ang Mo Kio SERS replacement flats. This will allow cheaper flats while shifting the market a little further away from speculation, while helping to set price levels for flats of different tenures.

Next, unlocking the resale market, because the solution cannot and should not lie in building new flats alone. You cannot build flats fast enough to meet the demand in the short term, nor is it sustainable or an optimal use of resources for the long term. After all, our country is small, with many competing demands for our reserves, including land, and our population is ageing. There will be more people dying every year, leaving behind empty flats.

The key to giving Singaporeans a chance to own homes that allow them to start a family today, not in five years' time, to live close to their parents and their support networks, not on the other side of the island, lies in unlocking the resale market, making it more affordable and accessible for Singaporeans not lucky enough to secure a suitable BTO flat for themselves.

There are a number of measures that could provide some immediate relief and I would like to share a couple today.

First, to increase the Proximity Grant for first-time buyers in areas with high BTO application rates. Today, HDB offers a number of grants to make resale housing affordable. There is research though in other cities in the world that shows that subsidies tend to be capitalised in housing prices.

Hence, the benefit is captured by the owners, especially if housing demand is driven up by the subsidy scheme while housing supply is rather inelastic. Personally, I have grappled with the merits of the subsidy and whether increasing them further would just drive higher prices and create more economic rent for owners. But, Mr Speaker, if we look in our hearts, I think the need to get the first-time buyers a home should trump this. Applied with the right limits, only for first-time buyers, only in areas with high BTO application rates and in concert with other levers to loosen supply, the price effect of subsidies could be more controlled.

Secondly, require HDB owners to sell their flats if they buy private property. As mentioned before, the Government has said that it is soliciting views on this as part of the Forward Singapore conversation. Given the state we are in, I urge the Government, to put in crudely, to hurry up. Doing this would signal that public housing is primarily a place to live in.

In fact, if a stronger signal needs to be sent, the Government could consider additionally requiring HDB owners who own private property today to sell their flats. Three percent of HDB owners, slightly over 30,000 HDB owners own at least one private property. Of which, 45% rent out the whole flat and another 4% rent out one or more bedrooms. It is not a large number that would disrupt the market, but not insignificant relative to the number of first-time buyers.

Given the social benefit, this exercise could be sweetened by offering breaks on stamp duty for selling their HDB flat. Another perhaps more palatable option, is to ban such owners from renting their flats, which would likely induce many of them to sell their flats at more reasonable prices.

Together with the cooling measures and the dissipation of induced demand as BTO projects are delivered, the suggestions above could increase resale supply and moderate resale prices, providing more opportunity for more first-time homebuyers to get the flat they want in the locations they want.

Mr Speaker, I am confident that the Government and HDB will get us past the current situation and continue to evolve our housing policies. I have focused on first-time buyers in my speech because they are, rightly so, the first priority. But I urge HDB to not declare victory when the first-time buyers are "settled". Look out for the other groups that face frictions in getting on, off and sometimes back on the housing ladder today – the non-traditional families, transnational or reconstituted families, the ex-offenders, the singles.

HDB will also has to address the concerns of seniors in our ageing population, though here I think the range of options available including the Lease Buyback Scheme are quite comprehensive and should be further promoted.

It is not easy to meet the needs and aspirations of all, but I have full faith in the HDB that has the vision, the focus and the heart to do this.

I would like to end by quoting our Founding Prime Minister, Mr Lee Kuan Yew:

"Soon after separation, I resolved to enable every household to own its own home. If we were going to get the people to take National Service seriously, I could not ask their sons to fight and die for the properties of the wealthy. We worked out a personal savings scheme that allowed them to own an apartment painlessly through instalments over 20 years. We sold the apartments to them at below cost to enhance their assets. Today, 95% of Singaporean households are home owners. It has immeasurably increased their wealth and our social stability."

It is uncanny how it remains true today.

Let us renew, therefore, our vision, our focus, and our hearts, so that current and future generations of Singaporeans will have the opportunity to own a home that enhances the dignity, well-being and wealth. I support the Motion moved by the Minister for National Development. *[Applause.]*

Mr Speaker: Mr Abdul Samad.

7.19 pm

Mr Abdul Samad (Nominated Member): Mr Speaker, on a personal note, I have never experienced a BTO flat before in my four times of shifting but I can affirm resale prices were affordable during my 20 years of shifting houses.

Hence, I rise in support and agree that public housing in Singapore is indeed affordable and accessible. It is also an asset for many young Singaporeans, who either wish to live there for the foreseeable future until their lifestyle needs have shifted; or live there for the long term.

Accessibility to and ownership of a HDB flat is a key factor in determining whether young couples wish to settle down and start families in Singapore.

The negative public sentiment against the rising cost of public housing is not new and has been there for some time and also the recent hike in resale prices. This we know is mainly due to supply and demand for houses especially within the mature estates which are usually more popular. However, it is unfair to say that public housing is unaffordable as prices are determined through a negotiation process between sellers and buyers. In fact, a valuation process is required by HDB for every sale to take place.

The sentiments on public housing varies based on the engagements that I have had with my fellow union leaders, members and workers. Their two main concerns are the waiting time for BTO flats and the price of resale flats. Another concern to note is the quality of workmanship of the new BTO flats.

From my exchange with them, we acknowledge that new BTO flats are affordable as long as buyers choose locations that they can afford, with or without opting to utilise the available grants. This accords with the principle that we should live and spend within our means. Practically, this also includes their choice of flat ranging between 2-room and 5-room flats, depending on the couple's financial ability. Government grants of up to \$80,000 for new flats while generous amount of up to \$160,000 for resale flats are also available where applicable.

If an individual's choice of home in terms of size and location does not match their financial capability, it does not automatically mean that public housing is not affordable. Take myself as an example.

My wife and I were hoping to stay near my in-laws in Toa Payoh when we married and wanted to settle down in 1999. However, prices in Toa Payoh were high considering it being a central location and popular estate. We considered purchasing a new flat but the long waiting time deterred us from doing so. As such, we discussed and identified possible areas with 5-room flats within our financial means. We finally set our roots in Yishun, which was just a 15-minute walk to near Northpoint. In short, we got our 5-room within our means, accessible to many amenities and best of all, many primary and secondary schools, all within 10 minutes of walking distance. We are also thankful for the grant extended to us, which was at that time was a mere \$35,000.

We stayed in our matrimonial home for five years and have since moved a couple of times before settling down at our current jumbo-sized home in Woodlands. This may or may not be my final residence as our needs change as we age and we may not need a large space in the future.

Over the course of the years, we had on certain occasions lost monies in particular transactions and profited at a later stage. However, on balance, we have earned some monies through the sale and purchase of our homes which will be used for our retirement.

This example is not just unique to me. I am sure there are many Singaporeans out there shared the same experience. In fact, I have heard of many, including my fellow Members, who have upgraded from public housing to staying in private apartments or even some landed homes. For the record, these are not necessarily high earners. Some are even normal working people like myself with stable job and progressive income over the years.

I appreciate Mr Leong Mun Wai's efforts in providing a big breakdown of the amount required to own a new home yesterday. However, it will be more useful for Mr Leong and his team to, likewise, provide examples of fellow Singaporeans who have profited from the sale of their HDB for the purchase of private properties so that a more balanced view is canvassed.

Sir, we need to be truthful on the real challenges and help to find solutions by helping to create more awareness, rather than planting doubts in our fellow Singaporeans in owning a home. Let us not take away the efforts of our fellow Singaporean policy makers in MND and HDB who monitor and review housing policies regularly with a view to making public housing affordable and accessible since our Independence till now and even in the future. Allow me to speak in Malay.

(In Malay): [Please refer to [Vernacular Speech](#).] I support the Motion on the affordability of public housing for Singaporeans. Lately, we have heard many people expressing their concern over housing prices that keep increasing. However, we should acknowledge that there are housing grants being made available to the people. This will alleviate the burden of debt, and the price of the flat is discounted after deducting the grant amount.

Public housing should be made a priority for our people who can afford it and are eligible for ownership. We should make use of the support provided by the various Government grants. We must believe that the Government will always strive to make public housing affordable for all levels of society.

Individuals, couples and families must make their own financial calculations and assessments before opting to buy a house. If the location of our dreams is beyond our means, we should be open to searching and buying a house that we can afford.

The journey towards public housing ownership requires time and planning. Let us not take the easy way out and blame the policies without finding out what has been provided by the Government. Be fair to those who have been working hard in MND and HDB, who are constantly monitoring and making changes to ensure that Singaporeans can afford their own homes.

(In English): Sir, our home is a place to stay and also an asset for our golden years. We have to acknowledge that public housing policies have helped thousands of families to own a house of their own as long as they choose a size and location that is within their financial means. This, in my view, is the correct approach to take as it strikes a nice balance between ensuring the public housing is affordable from the Government's end while encouraging Singaporeans to save and spend prudently within their means as responsible citizens.

On this note, I hereby strongly support this Motion by Minister Desmond Lee to affirm that public housing is affordable and accessible for our Singaporeans. *[Applause.]*

Mr Speaker: Minister Indranee Rajah.

The Second Minister for National Development (Ms Indranee Rajah): Mr Speaker, Sir, we have before the House two Motions which at first glance may look similar, but which are fundamentally very different, both in underlying values and approach and, ultimately, in terms of impact on Singaporeans.

The Motion standing in the name of the Minister for National Development affirms the PAP Government's commitment to keep public housing affordable and accessible for Singaporeans while safeguarding the interests of current and future generations.

In his opening speech yesterday, Minister Desmond Lee explained how we have done this and how we intend to continue doing so.

The PSP's Motion, on the other hand, implies that our system does not deliver affordable or accessible housing and that it is somehow fundamentally flawed despite the fact that 90% of Singaporeans living in HDB flats own their own homes.

PSP's Motion rests upon – and its merits must therefore be judged by – their alternative policy proposal which, in essence, is to change the HDB's existing homeownership programme into a national prepaid rental scheme with an option to buy. More importantly, the PSP proposal most certainly does not safeguard the interests of current or future generations. Instead, it will erode our shared Reserves.

PSP's proposal or, as Mr Leong Mun Wai calls it, the Affordable Homes Scheme, is in substance a prepaid rental scheme where the user pays rental upfront and has the option to own the flat by paying a deferred land cost.

It works like this. Allow an individual to buy a new flat at a user price that is set based on construction costs and a notional location premium.

What is this notional location premium? We have no idea because Mr Leong Mun Wai has not told us how this notional location premium will be calculated.

If the individual stays in the same flat for his entire life, he only needs to pay this user price. However, if the individual were to sell his flat in the resale market after the Minimum Occupation Period (MOP), he would have to pay the land cost that HDB had recorded at the point of purchase along with some accrued interest.

Essentially, it is a prepaid rental scheme with an option to buy. That is why Mr Leong Mun Wai uses the phrase "user price" and not "purchase price" because he knows it is not ownership. It is prepaid rental.

The PSP portrays it as cheap housing with no downsides. This sounds too good to be true – and if something sounds too good to be true, then it is because it probably is; too good to be true, that is. That is to say, there is a catch that you have not been told about. That is the case here.

No matter which way you look at it, PSP's proposal involves selling state land cheaply. Under their scheme, when the flats are disposed by HDB to the user in the first instance, no one pays for the land cost. So, the user gets to stay in a nice BTO in a nice location with nice amenities at a low price without paying for any land cost.

If he chooses to sell, then and only then, he has to pay for the land cost with some accrued interest. The land cost is a cost recorded with HDB at the time he gets the flat, not the current value of the land at the point when he sells.

We all know that land has value. If you give it away cheaply or at zero cost, someone still has to bear the cost of that land. Under Mr Leong Mun Wai's proposal, the BTO user does not have to pay for land value or bear any cost of the land until he chooses to sell it. So, who is paying for the land for the duration that the user stays there?

What Mr Leong Mun Wai has not told you is – you all are paying for it. The cost is borne by all other Singaporeans – each of us, in this generation as well as our children and grandchildren.

And what is the price that you will pay? You, your children and your grandchildren will pay for it in three ways: (a) financially, through the erosion of our shared reserves; (b) in inequity, where some benefit at the expense of others; and (c) in poor policy, with implications for the broader housing market. Let me explain.

State land forms part of our reserves. Everyone knows that, everyone accepts that. This land belongs to all of us, Singaporeans. As the Government, our approach, in line with our values, as a people and as a nation, is that we must be good stewards of this land for all Singaporeans.

Think of a family that has several parcels of land inherited from their grandparents. One of the family members, the steward, is put in charge to manage the land on behalf of the family. Would you expect the steward to give away any one of those parcels to a developer for free and to recover only part of the land cost later? No. You would not. Because that land has value.

If he gives it away for free or sells it at a partial recovery price, then he is shortchanging the rest of the family. They would be deprived of the value of the land.

However, if the steward sells the land for a fair market value and invests the sale proceeds, the family will have the benefit of the original sale proceeds as well as the income from those proceeds. This income can then be used partially for expenditure and partially reinvested to help sustain both present and future members of the family for years to come.

Everybody understands this in the context of family. This is exactly how we do it as the Singapore family.

State land and our reserves belong to all Singaporeans, present and future. It is a precious shared resource we must protect. The Government is the steward of state land for the whole Singapore family. The Government cannot give away state land for free or sell it at an under-value. If we do, we would be shortchanging Singaporeans.

If the land remains in Government hands, the Government has to use it for the public good and we do not have to charge land cost. However, when we sell the land, we charge for it because the Government loses the use of it.

On this point, I would like to provide a clarification to what Mr Sitoh Yih Pin said in his speech yesterday. The principle Mr Sitoh Yih Pin articulated is correct. We have to account for the value of land when the state disposes of it. However, if the land is used for public infrastructure like hospitals and public schools, it remains in the possession of the state and no payment arises. That is because it remains in the possession of the state. This is the case for Gardens by the Bay. The land was not sold for a nominal fee.

Hence, when we sell land, we do so at a fair market value. When that happens, the physical asset – the land – is converted into sale proceeds or a financial asset.

To preserve the value of the reserves, the land sales proceeds go back into our shared reserves and are reinvested by our investment entities to benefit both current and future generations.

Fifty percent of the investment returns supplement our national budget annually through the Net Investment Return Contribution (NIRC) and the other 50% is reinvested for the benefit of ourselves and future generations in a virtuous cycle. Today, the NIRC contributes \$0.20 for every dollar of expenditure.

If we do not account for the fair value of land or give it away free or at an under-value, our reserves will shrink each time land is used for public housing. This means that over time, we will have less funds available for crises. Over time, the NIRC will get smaller and over time, in order to make up for the smaller NIRC, we will need to raise more taxes more quickly to get more revenue.

Despite Mr Leong Mun Wai's claims that he is not raiding the reserves, his proposal does exactly that.

First, land has a value. Mr Leong Mun Wai's proposal implicitly acknowledges this because he concedes that you must pay for the land when you sell it and it must go back to the past reserves. Under his scheme, the BTO users get to enjoy the land without paying for it. So long as they are occupying the flat without paying for the land, that is a draw on our reserves.

If they choose not to sell, our reserves will be reduced for the entire duration of that occupation, presumably 99 years, although Mr Leong Mun Wai has not said what the tenure will be. As a result, we would forgo the monies that we would have invested and the investment returns under our current system. That means less NIRC for the budget every year.

When Mr Leong Mun Wai says his scheme is better than using Government subsidies, he is actually taking from the Reserves and to make up for what the NIRC cannot now fund, we would have to either raise taxes or cut spending.

Second, is PSP's proposal fair to Singaporeans? It is not.

Under the PSP model, those who choose not to sell their flats will enjoy a large subsidy at everyone else's expense. Those who choose to sell their flats will have to pay recorded land cost and accrued interest but with no subsidies or grants. Some may have to sell their flats not for capital gains but for other reasons such as to cater to new needs and changes to lifestyle. If the property market is down, they may have to sell at a price lower than the recorded land cost and would lose out.

For the one million existing homeowners, you should consider what PSP's proposal means for you. If you are a HDB owner today, you should think what PSP's proposal means for you.

Essentially, there will be a new precinct right next to you with flats of similar attributes but much cheaper. Please consider what this might mean to your property value. Also consider is it fair that by policy design, somebody else gets the same flat as you but at a much cheaper price.

Ultimately, the net effect of PSP's proposal is that the new users will benefit from the low-cost flats but it would lead to the erosion of reserves and the reduction in NIRC to the budget. In short, PSP's proposal will benefit the user but everyone else will be paying for it.

Third, is the PSP's proposal good policy? The PSP's model of differing land cost upon resale kicks the can down the road for home buyers who may well be worse off for this.

Under PSP's model, there are no grants and subsidies. When the user sells his flat, he would have to pay for the recorded land cost without the benefit of grants or subsidies and this could affect his net proceeds. And the question is whether this would be sufficient to finance another home. This is unlike the current HDB home ownership model, which enables Singaporeans to own their flat at an affordable price and benefit from our overall economic growth when they subsequently monetise it.

BTO applicants should consider what PSP's proposal means for them. With much cheaper flats paid for by everybody else, many people will join the queue. It will drive up demand. Competition for housing will increase. The chances of a successful ballot will be lower. There will be longer waiting times and greater uncertainty. Some will not be able to get a flat at all. Then, what do you do about those who cannot

get onto the affordable housing scheme and have to turn to the resale market?

Under PSP's proposal, there will be no Government grants. How will they feel paying vastly more? They will definitely ask for much larger grants and where will that be funded from?

There is also a real risk of destabilising the resale and property market.

PSP has also been very unclear as to the legal nature of this scheme. The overall scheme is rental with an option to buy, but he has not clarified what the user gets at the point of disposition. At the point of disposition, meaning when the user gets it from HDB, does the user get legal title or just a right to occupy?

If it is just the right to occupy, then the person is not the owner. You only become an owner when you pay for the land and that only happens when you sell the land. In short, you only own when you sell. Whereas under our current scheme, you are the owner from the time that you buy the flat.

On the other hand, if the individual gets legal title at the point of disposition, then it means that they are enjoying ownership without paying for it – at least until they sell.

While on this topic, I also want to highlight one other thing. There is a narrative going about that you do not own your HDB flats and that you are only a tenant and paying rental. This is a narrative that has been perpetuated by both PSP and WP.

Mr Leong asked in a social media post in December 2021, and I quote, "is the land used by HDB truly disposed of by the Government if the HDB flat owners only own the rights to their flat and not the common areas and amenities?"

And he also said that "flat owners arguably paying a fixed monthly rent for 99 years in today's dollar upfront when they purchase their flat."

In a social media post in July 2020, Mr Louis Chua said that "signing an agreement for lease makes one a lessee, not an owner". This scheme of PSP shows that that is not true. It shows that they fully understand that there is a distinction between rental and ownership. Otherwise, why do you have to pay for the land when you sell? Obviously, because you are getting something more. And you have the ability, once you get the title, to transfer that title; which you do not, if you are a mere tenant.

Mr Leong said yesterday, "Singaporeans should be treated like citizens, not consumers." We believe Singaporeans should be treated like home owners, not users.

The PSP's position is riddled with inconsistencies. Mr Leong had said that land cost should be taken out of the pricing of HDB flats. Mr Raj Joshua Thomas, earlier today, pointed out that this scheme puts land costs squarely in the midst of the pricing of HDB flats. Of course, Mr Leong did stand up to clarify and said that as part of his "brilliant military strategy", he did not say earlier that this was related to owner-occupation.

But then, what about the person who is buying from the erstwhile user? Land cost is right smack in the middle of the price that he is paying, and certainly, on all the social media posts, the impression that was created, not just to Mr Raj, but to all Singaporeans was that there was this wonderful scheme that would allow you to own without having to pay land cost.

Well, Mr Leong has now clarified it, but it would be good to tell people that what you are really selling them is a scheme to rent, not to own, and they will only own it as soon as they sell it and dispose of it.

Secondly, Mr Leong cited resale prices as a concern, but he reassures us that this proposal will not bring resale prices down, but he has also said that PSP will aim to maintain, I quote, "a buoyant resale market". PSP criticises the waiting times for BTO flats, yet, as I have explained, their proposal will add to the queues. He has said that his proposal will not raid the reserves, but it is clear that it will.

He also said yesterday, that under his scheme, Singaporeans can look forward to a future when, I quote, "owner-occupied public housing is truly affordable, as land cost is waived." The irony is that for so long as you are occupying it, you are not the owner. You only become the owner for just a short while before you sell it.

Sir, Mr Leong wants to turn our nation of home owners into a nation of renters, and to become a home owner, you have to sell your property with no assurance of being able to afford a new one after that.

For these reasons, I cannot support the PSP's Motion standing in the name of Mr Leong Mun Wai and Ms Hazel Poa, but I do support the Motion standing in the name of the Minister for National Development for all the reasons that have been outlined by the Minister. [*Applause.*]

Mr Speaker: Mr Louis Chua.

7.49 pm

Mr Chua Kheng Wee Louis (Sengkang): Thank you, Mr Speaker. Just a quick clarification for Senior Minister of State Sim Ann on VERS, as I took some time to relook at what has been shared so far in the public space. I think Senior Minister of State spoke about how the Government under VERS would be the buyer of last resort. And I think this is actually a key plank of what the Workers' Party (WP) has said in the Universal Sale and Lease Back Scheme which we put out, that the HDB is the buyer of last resort for all lessees, at the option of the lessee.

But can I confirm that VERS is subject to voting on a precinct level and that it is far less generous than SERS? This is what we know so far. So, for a young family that buy, say, a Marine Parade flat today which has about 50 years left, the original owner would be able to monetise. But for this young family, should the precincts not actually vote for VERS, then, what recourse would he or she has, and does it mean that their home, or rather, their household net worth would be declining as a result of this.

Ms Sim Ann: Mr Speaker, we have shared what we can about VERS at the moment, but it is still a work-in-progress and more details will be forthcoming when ready.

Mr Speaker: Ms Janet Ang.

7.50 pm

Ms Janet Ang (Nominated Member): Mr Speaker, I appreciate the opportunity to participate in this debate on the subject of affordability of public housing in Singapore.

Do Singaporeans have access to affordable public housing? Has Singapore's public housing policies enabled Singapore Citizens, especially in the lower middle-income group, to own their own homes?

Let us start with the facts. So, I must thank the hon Member Mr Leong Mun Wai for putting up the Motion because it then gave me the motivation to go find out the outcomes. So, what are Singapore's public housing outcomes?

Outcome number one: 78.3% of Singapore resident households live in HDB flats, and today, HDB has supplied more than 1.09 million flats in Singapore, nine in 10 of which are owner-occupied, resulting in Singapore having one of the highest home ownership rates in the world. And even more heartwarming to know is that 85% of low-income households in Singapore own and live in their own HDB flats.

Outcome number two: housing is usually the highest expenditure for any household. Mortgage service rate, or MSR, refers to the proportion of a borrower's gross monthly income that goes towards mortgage repayments for the HDB flat, and is a good benchmark for affordability.

In the first half of 2022, almost 90% of all buyers who collected keys for their new HDB flats has a MSR of 25% or lower. By global comparison, Singapore's MSR of 25% or lower is below the international benchmark of 30% to 35%, which indicates that public housing in Singapore is more affordable than elsewhere.

Outcome number three: moreover, given that for employees aged 55 years and below, employee and employer CPF contributions amount to 20% and 17% of employee income respectively, totaling 37% of income. So, for the buyers with MSR of 25% or lower, they can service their HDB loans using their monthly CPF contributions, with little or no cash outlay.

Outcome number four: in 2021, the median price-to-income ratio for HDB flats in Singapore was 4.5, which means that the median HDB flat price is about four and a half times the median annual household income in Singapore. This is remarkably lower than the median price-to-income ratios in cities, like Hong Kong at 30.8, Beijing at 26.8, Shanghai at 24.5, Seoul at 18.6 and Tokyo at 16.6.

Outcome number five: in most parts of the world, affordable housing usually refers to low-income housing. But for us in Singapore, our affordable housing wins international accolades and awards for providing well-designed flats and high-quality living environments that is green, liveable and sustainable, and have the greatest effect on the people who use them each day.

Outcome number six: a study on International Housing Affordability Survey 2020 recognised the Singapore Government for heavily investing in the upgrading and renewal of HDB neighbourhoods. This helps to forestall urban decay, they wrote, in older areas and allows homeowners of all income levels a quality living environment comparable to newer neighbourhoods.

Outcome number seven: HDB housing is referred to locally as public housing. Yet, unlike other public housing programmes, HDB flats are owned under 99-year leases by purchasers who are able to sell their units after a Minimum Occupancy Period (MOP) of five years, or 10 years for the Prime Location Public Housing (PLH) model, resale of HDB flats help to unlock the value of the HDB flats for many Singaporeans over the years, facilitating social mobility for HDB dwellers to upgrade to larger units, or to private housing even.

Outcome number eight: as Singaporeans move into the retirement phase, they are supported by the HDB Lease Buyback Scheme (LBS) and the Silver Housing Bonus (SHB) scheme, which allows the seniors to monetise their HDB flat while still living in it, or to monetise their HDB flat in the resale market and move into a smaller unit, with a shorter lease. In their golden days, they continue to have a home to age in place and have cash to support their retirement needs.

How would you answer the two questions I posed at the start? A resounding "yes" would be my response.

What Singapore has achieved is truly a miracle and, definitely, not by accident. Our leaders and our pioneering generation dared to dream together of the possibility of a metropolis rising out of a mudflat swamp and they worked together to make it happen, one brick at a time. We are blessed that the successive generation of leaders in our Government continue to build on that dream and bring us to where we are today.

There are many economists and governments studying the Singapore model and lessons learnt. I quote from the Demographia International Housing Affordability Survey, 2020 edition: "no major metropolitan area in the high-income world faces the housing affordability challenge of Singapore. Singapore's six million people live on a fully developed island nation so small, that they could fit into

one-half of Tokyo Bay. As a result, Singapore lacks the supply vent of low-cost suburban or exurban land that moderates house prices across an urban area. This is Singapore's unequaled housing challenge... but Singapore has effectively managed its scarce land supply and established a market that produces middle-income housing affordability. HDB also seeks to achieve social objectives through its policies, such as to: promote progressivity by giving a higher grant amount to the lower income; promote family formation by providing bigger grant amounts for families than for singles; promote mutual care and support by encouraging families to live with or close to their parents or children.

The lesson of Singapore for the world is not so much the intricacies of its housing market design. Rather, it is that Singapore pro-actively and successfully prioritized affordable home ownership for its citizens, and developed means to accomplish that objective based upon its unique conditions."

Kudos to colleagues at MND, HDB, CPF and the whole-of-Government, for all that you do to house Singaporeans from cradle to retirement. You deserve our show of appreciation.

What is waiting for the road ahead? The paradigm shifts all the time and the COVID-19 pandemic has thrown quite a few curveballs at us from many directions and public housing is not precluded. Over these past two days, many ideas have been thrown around and indulge me as I add a few to the already long list.

Challenge number one is said many times, long wait time for BTO Flats with median wait time of 4.3 years, not counting the long queue to apply and book for a flat. HDB is already implementing a hybrid of Build-ahead a certain number of flats to compliment BTOs to shorten wait times. And as Minister Desmond shared yesterday, HDB is ramping up the construction of flats to catch up on lost time caused by COVID-19.

Of course, the key question is, what would it take for HDB to further ramp up the numbers and reduce the median wait time by half, to address the backlog and demand from, especially, the first-time applicants. Share with us your 苦中 or pain.

Meanwhile, I hear from a young couple that the interim rentals HDB offered for young families to set up home while waiting for the HDB keys have been most helpful. They are very grateful for HDB supporting them in their journey and more can benefit from this.

And of course, four in 10 applications reject when offered a flat, and perhaps that is why the supply demand forecasting is a little bit in the air. This issue has to be managed, so that HDB can better plan demand and supply and I ask applicants: be serious, \$10 for one application, that is why four in 10 applications reject.

Challenge number two: perception that BTO flat prices are unaffordable. From what I have seen, Singapore public housing is higher quality and more affordable than most other cities. Affordability, as my fellow Nominated Member colleague said just now, is all about buying within your budget. HDB has assured that there is a HDB flat out there for a different range of incomes and needs, and that the BTO flat is priced to affordability and is not priced to recover cost.

This explains the big deficit that HDB chalks up every year for its Home Ownership Programme. So, how will HDB persuade home buyers that there is a BTO flat for them that is affordable and accessible, rather than for them to hear from coffeeshop talk that HDB flats are not affordable.

Maybe an AI app may help the home buyer to match their needs and budgets to HDB BTO launches as well as resale flats and discover the opportunities that they have not thought of, and that might even save them cost. Affordability is all about managing your own expectations.

Challenge number three is that HDB resale prices are driving up BTO prices. Now, more subsidies for those flats in popular locations, in my opinion will only lead to the BTO flats in these locations being more prize trophies. So, putting too much premium for BTO flats in these locations may put it out of reach for ordinary Singaporeans. I think the premium location housing is a good scheme that can be expanded to more popular locales to address this good problem.

Challenge number four is the resale prices of HDB flats. The Government measures to cool the currently heated resale market have already been introduced and will take time to work through the market. Of course, the question is whether this is enough to deter speculative behaviour. And for buyers, do not kill me – I like the idea of the principle of Government sharing in the gains of the resale flats since there were grants involved. And of course, I like the idea of expanding the PLH rules to cover non-PLH locales and perhaps there can be some form of ABSD or stamp duty when you buy resale.

Challenge number five is the current generation of retirees and soon-to-be-retired. There are some Singaporeans who have planned the move to sell their private property or to downsize from the current HDB flat and to retire in a smaller HDB apartment. Their retirement plans are of course impacted by the cooling measures. It is their own bad timing. However, might the HDB support their efforts to retire well joyfully in a HDB home.

Challenge number 6 is now the younger generation. In preparing for my speech, I listen to some young people. There is a changing attitude and lifestyle among the younger generation. They want more personal space and we have seen more singles moving out of their parents' homes, even when it is a landed property, even when they have their own bedroom, to share a rental flat with friends. The work-from-home norm which is catching on among the younger generation in particular would require more space at home for work.

My advice to them, from my experience working from home should be the flexibility that I can have and not the permanent shift from the employers' real estate costs to my personal real estate expense. For many of them, they do feel that Government grants are all very helpful, but insufficient BTO and resale prices continue to escalate and the downpayment of 20% is a non-starter unless they get help from their parents.

Challenge number seven is the sandwich middle class. With private condominiums pricing going up, the sandwich middle class hopes that the HDB can raise the income ceiling for HDB's executive condominiums (ECs) and maisonettes so that they may be able to meet their upgrade aspirations at the lower quantum value.

Challenge number eight: as HDB is intended to be owner-occupied but the rules allow for them to rent out the HDB flat and live in their private housing, it is good to see the HDB has given our fellow Singaporeans the lift up and the progress to be able to invest in property and, without breaking HDB rules, have the ability to enjoy passive income from renting out their HDB flats most likely to our foreign workforce like nurses, therapists, technician, so on and so forth; all who need affordable rentals place to live. We read in the news about escalating rentals even for HDB rooms and HDB flats. HDB is after all subsidised housing. I hope that the owners will exercise restraint in the exuberance of profiting from this privilege of having a HDB flat to rent out.

Are there any rules or caps on rental gains for this category of HDB owners? Is there any rent control to ensure that the rental prices of HDB rooms and HDB flats will provide affordable rental housing for our guest workers?

Challenge number nine: notwithstanding that the debate today is around affordability of HDB flats, I would like for us to spend a minute to look at the overall Singapore real estate. In a UBS Global Real Estate Bubble Index Report, it is reported that most households can no longer afford to buy property in the top financial centres of the world without a substantial inheritance. While we do want Singapore to be one of the top global financial hubs, how can we prevent and limit our risk of being in that same situation? How does MAS and MND collectively plan to help ensure that Singaporeans can still get to own our limited residential real estate even as we welcome wealthy family offices into Singapore whose purchasing power will inevitably drive up property sale and rental prices?

Mr Speaker, MND, HDB, MOF, WOG, being the custodians and stewards of our land and resources have the unenviable job to prioritise for the greater good of all of Singapore. It is a very tough job and they have created a system that works and is admired. For all of us in this Chamber, I submit to you that we ought to debate difficult issues in truth and in love.

We should strive to unite and not divide. We are all here to find solutions that support the integral human development of our society in this small little 724.2 square metres of land.

As Harvard University economist Edward Glaeser once said, "All policies need to be judged by the impact on people."

Speaking of people, I would like to share with this House the story of Mdm T told to me by Montford Care, Caritas. By the way, all names have been changed to protect the confidentiality of the persons.

Mdm T is a single mother, aged 43, with two children from her second marriage. One child has a medical condition and the other child is highly active. They were victims of family violence resulting in Mdm T divorcing the second husband. Mdm T moved back to her mother's place and was dependent on her financially. She moved into a rental flat with her children in 2016. She was emplaced in HDB's Fresh Start Housing Scheme (FSHS) in March 2020 and was referred to the Fresh Start Support Programme (FSSP) in July 2020.

To cut a long story short, Mdm T, with the help of the FSSP social worker, managed to get a full-time job, moved into her HDB flat under the FSSH, got help from generous donors to set up her home, learnt to be more confident in planning, managing her children and is taking on the responsibility of managing her own bills and not burdening her mother and still have some savings left over.

HDB is not only providing affordable homes for Singaporeans, but HDB is taking care of the vulnerable and integrating the resources across the whole-of-Government, MSF and social service agencies to help Singaporeans like Mdm T and her children to have a fresh start in life. That is the Singapore Spirit, that is the Singapore system.

Mr. Speaker, indulge me this final quote: "Intentions are not enough – they must be converted into tangible results. Singapore's success is in facilitating results consistent with intentions that are both meaningful and routinely evaluated."

I have faith that we have done it before, and we will do it again. I stand in support of the Motion in Minister Desmond Lee's name for affordable and accessible public housing, and that this House affirms the importance of keeping public housing affordable and accessible while protecting the interests of current and future generations of Singaporeans and endorses the commitment of the Government to these twin goals. *[Applause.]*

Mr Speaker: Mr Henry Kwek.

8.09 pm

Mr Kwek Hian Chuan Henry (Kebun Baru): Mr Speaker, Sir. I stand in the support of the Motion raised by hon Member Minister Desmond Lee.

I listen very closely to hon Member Mr Leong Mun Wai's Affordable Homes Scheme proposal. Many Members have expressed grave concerns about it, and I would like to start my speech by highlighting one.

PSP would not charge land cost at the point of sale, but when Singaporeans sell their flats, they have to pay back the full costs of land plus interest. If somebody has not been actively putting aside the sum throughout the years, several hundred thousand dollars over, let us say 25 years, at a 2% to 4% interest rate is a huge liability on the home sellers and their children at the point, especially if we do not have any additional housing subsidies from the Government, which I have yet to hear PSP mention in the proposal.

Yet we also know that many Singaporeans relocate because they have genuine needs. That means that if they sell at that point, the new BTOs under PSP's plan would be more expensive compared to today's BTO because of the many additional grants that HDB provides the home owners, especially those families with lower income.

Mr Speaker, we have a very successful policy. Our public housing is affordable, accessible, inclusive and well-designed. As a GPC Member of Defense and Foreign Affairs, I often host visiting politicians and officials from all over the world. Our housing and urban planning policies are very well-regarded and many nations seek to replicate them. Of course, policies need to reflect changing aspirations, a core issue that many people have today is centred around the affordability of mature estates' new BTOs.

I understand Singaporeans' concerns when they see the prices where they are. But yet, those who have gotten flats in attractive locations gain significantly more housing equity after the Minimum Occupation Period (MOP). Sometimes, even two to three times. They are new BTOs in non-matured estates. This upside needs to be considered when we are talking about affordability, especially of new BTOs in mature estates.

I am not saying that we should abandon efforts to make housing more affordable. Extra grants can certainly help first-time home owners, but reducing prices means that the Government must cut back in other areas. So, we must ask ourselves, what are we willing to sacrifice? Instead of only lowering BTO prices, can we look at the issue at a different vantage point? Can we lower our peoples' expenses by helping them acquire BTOs close to their family members living in mature estates?

To achieve that, let me suggest four measures: one, HDB can extend the housing priority grant beyond of families living within four kilometres of family members to also include those within a 30-minute off-peak journey by public transport, given that we have extended our MRT network considerably; two, HDB can reserve 30% of new BTOs in mature estates for applicants who qualify for the extended proximity grants which I just mentioned, the enhanced proximity grants. Those who do not get the place in this group can still join the general ballot; three, HDB can build more 3G flats in mature states; and finally, HDB can reduce speculative demand on BTOs in mature estates or attractive locations by introducing some of the criteria from our new PLH scheme.

Let me delve into the affordability of our public housing in the resale market. I recognise that the Government has introduced a number of cooling measures specifically targeting the HDB resale market. I would like to suggest that MND consider another cooling measure, which is temporarily restricting PRs from buying resale flats until we can make up for the delayed BTO constructions. Although the number of flats purchased by PRs is relatively small, I understand, it serves as a sign to our citizens that our Government is using all reasonable measures to cool the market in this exceptional time, prioritising Singaporeans to acquire flats.

I would also like to caution MND on adopting PSP's proposal to radically reduce the price of new BTOs by completely disregarding land price in pricing if the flats never sold. Frankly, many of my residents are worried. Let us walk through what will happen systematically. At first look, it seems attractive except that many Singaporeans change of flats and locations as the aspirations in life circumstances change. I mean, we know plenty of Singaporeans relocate to be closer to their jobs, parents or because of the change of marital status.

When they move under PSP's proposal, because they must pay land costs and interests, they will be worse off than today because of the generous grant provided. There is also a question of who will buy the resale flats if the price differential between a new flat without the land cost and the resale flat with the land cost is so big. In fact, it is huge.

The resale HDB market will be devastated first, followed by the private property market. Let us not forget that our housing equity forms the largest asset to most Singaporeans. We do not even need to wait for the first tranche or MOP to be completed under PSP's proposal to fuel the dire consequences. Right off the bat, many existing HDB owners will wise up and dump the existing flats in anticipation of the future sharp drop in resale value, and then apply for new BTOs.

At a time when we are still dealing with delayed BTOs due to COVID-19, this flood of new demand will make delays much, much worse.

A collapsing resale market will have significant effects on the retirement adequacy of seniors living in our flats who rely on their housing equity to finance it. It is simply unjust to engineer such a dramatic drop in prices. Seniors have no more time to save up.

There is also a considerable impact to younger Singaporeans who recently bought condominiums. It will affect SMEs and micro SME owners whose many bank loans for their businesses are secured by their housing equity through personal guarantees.

Finally, let us not forget that we are at the tail end of this property cycle. Interest rates in the US and Singapore are much higher compared to two years ago. In fact, we have just gone through the fastest ever increase in interest rate in history. Many developing countries are now seeing and experiencing a steep drop in housing prices at this juncture.

We must strive to achieve a soft landing in our property prices or for a price increase to be less than our increase in income. We should stay clear of artificially creating a hard landing.

Let me now conclude. Yesterday, in the Chamber, hon Member Cheng Hsing Yao made a wise point. The value of our land reflects decades of investment. I fully agree. I would also like to humbly add that the value of every square foot of Singapore is also anchored on our sound governance and stable policy.

This means we pursue stable, reasonable policies that evolve over time and not undertake abrupt, radical shifts to catch prevailing prodigal winds. This means we use targeted measures and avoid unnecessary systematic risks. This means we add, not deplete our reserves for the tougher journey ahead.

When we opt for savvy slogans over practical policies that benefit Singapore, trust in our system of governance will vanish. If trust vanishes, so will the value of our land no matter how many miles of fibre optics or MRT lines are buried underneath.

Mr Speaker, we are now at a particularly difficult part of the property cycle where the animal spirit of the market is colliding with the crushing forces of surging interest rates, economic slowdown and uncertain geopolitics.

We are still trying to catch up on delayed BTO construction, so it is natural that some Singaporeans are anxious. But I hope that MND can focus on finetuning our policies to improve the accessibility and affordability of new BTOs in attractive locations while ensuring that we stay clear of sudden destabilising actions. Our housing policies are broadly effective, feasible and equitable. Let us build on them and make them better. With that, I stand in support of the Motion put forth by Minister Desmond Lee.

Mr Speaker: Mr Pritam Singh.

8.18 pm

Mr Pritam Singh (Aljunied): Mr Speaker, the Workers' Party's Members of Parliament have spoken on a number of relevant areas and shared our views on the Motions before the House.

Sengkang GRC Member of Parliament Louis Chua Kheng Wee has spoken about the inadequacy of Build-To-Order HDB launches. Sengkang GRC Member of Parliament Jamus Lim has spoken about the tension between housing as an asset and retirement solution.

Aljunied GRC Member of Parliament Leon Perera has proposed building ahead of demand and the prospect of 70-year leases to build up CPF retirement funds and Aljunied GRC Member of Parliament Gerald Giam has spoken of how to arrest resale prices.

As for my speech, it is in four parts.

First, I will touch on how housing policy has evolved in the past. Second, I will discuss where we stand on both affordability and accessibility of HDB flats. Third, I will make some inquiries on how land is priced. And finally, I will ask the Minister some questions on public housing and taxpayer subsidies.

Let me start with a look at public housing policy in the past.

In 1964, the Government introduced the Home Ownership for the People Scheme so that Singaporeans would own rather than rent their flats. It was intended that through home ownership, Singaporeans would have a tangible stake in Singapore's success. The policy then was that flats would only be sold to families earning less than \$800 a month.

The Home Ownership for the People Scheme did not really take off at the beginning as not many people could afford the 20% downpayment in cash to secure a flat. This changed dramatically some four years later in 1968 when CPF funds were made available to pay for public housing.

In 1971, there was a significant shake-up in public housing when the Government allowed HDB flats to be resold for a profit, although not investment. This created the HDB resale market.

In 1973, an amendment to the Land Acquisition Act allowed the Government to purchase land from owners at prices independent of the land's purchase price or prevailing market rates. This allowed the Government to purchase a great deal of land at low prices.

This historical fact accounts for the ever so often heard view that because HDB bought the land cheaply and since that land would be returned to the state after 99 years, there is scope or there could be scope for the state to take a different, more enlightened view about land costs in order to make public housing more affordable and consider other approaches beyond strict market pricing to keep HDB flats affordable.

In the 1970s, 1980s and 1990s, property prices in Singapore kept rising. Lease decay did not factor heavily in the public consciousness as many flats were relatively new. However, a serious correction to housing prices hit hard on the back of the Asian Financial Crisis.

After the 2001 elections, then Prime Minister Goh Chok Tong promised a review of costs. Much was expected of the Economic Review Committee, in particular, the Land Working Group. Then, land costs came into the gun sights of those worrying about the cost of doing business in Singapore and the cost of housing.

Instead of precipitating bold changes, the Land Working Group took the view that it was tough to demolish and rebuild Singapore's land policy. The group's report restated the constraints policy-makers faced while advocating a greater role to be played by the private sector in the provision of public housing and even suggesting the extension of grants for private home buyers.

As a country, we have been at the current property cycle before – more recently, slightly more than a decade ago, when the prices of HDB flats increased rapidly after the Global Financial Crisis.

To deal with that, the then Minister for National Development Khaw Boon Wan announced the policy decision to delink HDB prices from resale prices. However, much less was broadcasted about the fact that the increased subsidies to make flats affordable would be paid by taxpayers.

This is significant because a large part of the government solution whenever HDB prices went, perhaps, out of hand, would be to resort to deploying more taxpayer monies, ostensibly in greater quanta, to make up the difference.

A significant overlay to the property cycles over the last few decades has been the public expectation that HDB flats would be ever appreciating assets. This incorrect expectation was created, perpetuated and not corrected by previous PAP Governments.

A more responsible narrative would have informed the public that capital gains will be possible only in the short to medium term. It should have been made clear to all that quite simply, public housing on a 99-year lease cannot be expected to appreciate endlessly.

A few years ago, then Minister for National Development Lawrence Wong finally spoke the unvarnished truth about 99-year leases – that flats would be returned to HDB and only a small percentage of flats would undergo the Selective En bloc Redevelopment Scheme.

There was a highly negative public reaction to this clarification. One academic at the Lee Kuan Yew School of Public Policy put it this way, "The government hasn't been entirely consistent in their messaging with regard to housing policy, which created the uncertainty and anxiety."

Singaporeans, or at least some Singaporeans, felt that there was a reneging of what they perceived as an asset appreciation promised by PAP.

I now move on to the second part of my speech – where are we now?

Property prices in Singapore have soared in the last couple of years. As far as HDB flats are concerned, resale prices are breaking new records.

Singapore is unique in this regard. In most parts of the developed world, property prices are moderating or falling because of rising interest rates. Since the US Federal Reserve System started raising rates in March 2022, the situation in other countries has developed in a normal way. When interest rates rise, property transactions decrease and prices drop.

In Singapore, despite steeply rising interest rates for nearly a year now, prices have shot sky high. This is not normal. It is only because of new cooling measures that the property market shows signs of moderating.

The fact of Singapore's property prices going in a different direction from many other countries provides some proof that external circumstances are not the cause.

Sir, housing prices are essentially a matter of supply and demand. As far as property in Singapore is concerned, the Singapore Government controls the supply of new property in the market, both in the public and private sectors.

The Singapore Government also controls the number of new citizens and permanent residents (PRs) and has full information on birth rates. It controls the inflow of work and employment pass holders.

The Government knows the application rates for HDB flats and controls HDB allocation. The Government is the largest landowner and developer of land and is the regulator of land policy.

Because of a preponderance of control over land supply, the Government is in the best position to ensure housing prices remain affordable and stable.

The levers at the disposal of the Government do not just include introducing cooling measures overnight by way of fiat. They include building public housing ahead of demand and stepping up private land sales to meet demand at reasonable prices.

The fact is that the prices of HDB BTO flats, resale flats and private condominiums generally move in synchrony – which brings me to today's two Motions.

The different phrasing of today's two Motions indicates the different thrust of each. The Government's Motion implies that HDB flats have been kept affordable and accessible while PSP's Motion suggests that flats are now not affordable and accessible.

Some of the difference could be due to a different understanding of what each word means and represents.

I would argue that affordable HDB flats mean HDB flat pricing that is not out of synchrony with salaries. For example, the rise in resale flat prices, should not be perceived to outstrip salary increases. Resale prices have increased because people need homes and the HDB did not build enough BTOs to meet demand, which should have been known and calculable, notwithstanding COVID-19 related delays.

Over the last five years, the prices of larger resale flat, specifically 5-room and executive flats, have risen even faster than 4-room resale flats. Million-dollar HDB flats no longer make the news. Such sales take place even in areas such as Woodlands, heightening the anxieties of parents and young families and adults with regard to affordability.

While the house price to annual income (HPI) is a common gauge to appreciate the affordability of HDB flats, in the Singapore context, it is the taxpayer subsidy, or what the Government refers to as generous subsidies, that is keeping the number in check.

In all likelihood, either these subsidies will grow ever larger to keep HDB flats affordable or more subsidies will have to be recouped at the point of sale, similar to how it is proposed for Prime Location Public Housing (PLH) flats currently.

This would be a somewhat analogous albeit different situation to the PSP's proposal for deferred land cost by way of its Affordable Homes Scheme. In one situation, in this case, PLH flats, a designated portion of taxpayer subsidies are returned to the Consolidated Fund. In the other, land cost will be returned into the past reserves.

The Government regularly trots out that the HDB housing backlog after the Asian Financial Crisis as a reason for not wanting to build excessively. However, this sacred cow is one that needs to be slaughtered, particularly because of the serious implications an overheated housing market has on public housing prices for the common man and woman.

Clearly, the orthodoxy is one that feeds itself. If the Government does not release adequate parcels of land quickly enough, a bubble can rapidly form, one that has a direct implication on HDB BTO and resale prices and the prospect of an increase in taxes to fund subsidies.

What about the word "accessible"? Accessibility includes not just being able to apply for and book a flat. It also means securing a flat in a timely way.

Today, waiting times can stretch up to four to five years for BTO flats. When people get their flats later, they may also put off having children earlier, a largely perverse policy outcome in the face of our efforts to encourage young couples to form families and have children.

The decision to build to order rather than ahead of demand has likely had an impact on the reproductive rates of Singaporeans. It should not come as a surprise if couples and newer generations of Singaporeans want to occupy their own home before starting a family and having children.

Let me share a newspaper article with an approach to accessibility that needs to be reviewed. This will address accessibility in a meaningful way. The multi page advertisement from HDB in The Straits Times is dated 3 July 1989. It is titled, "The new HDB booking system, how it works for you."

And I quote from this newspaper article: "Under the booking system, HDB will announce every quarter, the building contracts it has awarded. The number of units of each type of flat, their location, layout and design and the price range for each type of flat in each location as well as the expected date of completion will also be made known. HDB will simultaneously release broad plans of the building contracts for the subsequent nine months. The number and type of flat and their locations will also be made known. The details provided in these broad plans may change depending on the demand for flats in the area. Thus, HDB will in effect announce a rolling 12-month building programme every three months. It will do the same at the start of every quarter and applicant who has booked a flat will normally take possession of his flat in about two and a half years after booking."

Today, the BTO system is both similar and different to the booking system of 1989 in some respects. But one fact is dramatically different. The BTO system today does not promise flats for buyers in two and a half years. Of course, the downside of this pre-BTO model, which ensures an ample supply of flats is that in the event of a "black swan" episode, like the Asian Financial Crisis, there may well be an excess stock of flats which take time to clear, including administrative costs.

But in that worst-case scenario, new accessibility options can be considered, for example, HDB would be able to offer excess flats towards schemes like the Parenthood Provisional Housing Scheme, which is, oversubscribed even today. Other options include expanding rental options for low-income households, which host large families to flat types that can be up to 3-room or even 4-room in size. I acknowledge the reply given by Minister Desmond Lee to Sengkang GRC Member of Parliament, Mr Louis Chua Kheng Wee by way of his Parliamentary Question that since 2018, the HDB has offered close to 11,000 BTO flats with shorter waiting times of less than three years.

However, as the Minister revealed, for the 23,184 flats launched in 2022, only 8% are short-wait BTO flats. The Minister's new commitment, as announced yesterday, to increase this to 2,000 to 3,000 flats each year, will not move the 2022 figure of 8% in a significant way.

How is it that the HDB could build high-quality flats at a much faster rate decades ago compared to today, even after the introduction of productivity measures, such as prefabrication technology? Can the Minister make a commitment to bring accessibility to commitments made in 1989?

Mr Speaker, it is trite to say that any major reset of public housing policy cannot take place without upsetting either buyers or sellers or perhaps both. The Government currently sets land costs at fair market value to the price of flats. Mr Leong Mun Wai has sought to address that the land cost component of HDB flat prices from a new perspective, through the PSP Affordable Homes Scheme proposal. The Government would be familiar with the gist of this proposal as it was originally put forward by a researcher from The Institute of Policy Studies, a Government think tank about a decade ago.

The idea of the land cost for public housing being accounted for differently is not new. There have been calls from the public and in the mainstream media to see how land cost can be dealt with to make HDB prices more affordable. And these come from a good place, and they should not be received by accusations of wanting to raid the reserves.

In 2002, The Business Times published a reader's letter which said, "land is purchased and assigned to HDB by the Singapore Land Authority. The actual land costs on the assignment to HDB should not be governed by the market, as the role of HDB must include the important social objective to provide public housing to those who are unable to participate in the private sector. This is a fundamental policy issue which needs to be acknowledged. We need to be more transparent with regard to the cost of land assignment, so that the public can constructively and actively participate in examining the formula of land assignment to HDB."

In 2013, on the back of the "Our Singapore Conversation", a Straits Times editorial titled, "Pondering next phase of public housing" stated, "When the HDB's key mission of building affordable homes has to go hand-in-hand with broader considerations, a variety of fresh ideas deserved to be explored. Those floated by National Development Minister Khaw Boon Wan recently are lower-priced BTO flats with a longer Minimum Occupation Period before these can be sold on the open market. A shorter lease to match cheaper prices and the separation of new flats from others by allowing resale only to the HDB. Other means of lowering prices could be to increase grants to first timers or take land costs out of prices and recover this when the flat is resold."

In a POFMA clarification on 14 October 2022 directed at Yeoh Lam Keong by the Ministry of National Development, the Government stated that it cannot sell state land at nominal or at a much lower cost than its fair market value without the President's approval, as doing so would constitute a draw on past reserves.

On this point, I have some questions for the Minister. Can the Minister confirm if the words, "not much lower cost than its fair market value" – the emphasis being on not much lower – as stated in the POFMA direction, does it suggest that land for HDB flats can be sold to HDB at a price lower than its market value, as established by the Chief Valuer? If so, under what circumstances can this be done?

In comparison, such an interpretation would not be inconsistent with the concept of a reserve price for sites sold under the Government Land Sales, GLS, for private housing, and industrial GLS programmes which are pegged to 85% of the estimated market valuation of each site. Tenderers will qualify if they bid more than 85% of the assessed market value of the land. If they bid less than up to 85%, the tender exercise can be aborted or is aborted.

Does the 15% discount on the market price of land or the reserve price under GLS programmes constitute a draw on past reserves? And will the President's approval be required for such land sales which are sold below market valuation, and if not, why not?

Finally, how did the Government decide on accepting tenders for private land at 15% below the market value and what is the basis to this figure of 15%?

Based on a recent Parliamentary Question by Sengkang GRC Member of Parliament, Mr Louis Chua Kheng Wee, we also know that the Government does not automatically rule out bids below the reserve price for GLS sites. And that the award of a site depends on the prevailing market conditions, number of independent bids received and the specific circumstances of each site.

I would like to ask the Minister, how do these exceptions – because they are exceptions – avoid the often heard PAP criticism of raiding pass reserves? Would such exceptions provide enough reason and context to review how the Government prices land for public housing with a view to gradually cool the market? Conceptually, this would not be dissimilar to the fiat the Government can wield in not ruling out tender bids below the reserve price for private land.

I now come to the final section of my speech with questions for the Minister on taxpayer subsidies.

Sir, the quantum of subsidies the HDB allocates for the home ownership scheme is another important but less ventilated aspect of HDB policy when it comes to affordability. These are taxpayers' subsidies and they represent the "loss" that the HDB incurs on the HDB's home ownership programme. This loss is fully funded and made good by the taxpayer. In his oral reply to my supplementary question last month, Minister said that resale prices had increased to around 28% or 29% over the last few years. But that BTO prices had been kept stable, ostensibly because taxpayer subsidies made up the difference.

It must follow that Government expenditure would be reallocated or directed from some other programmes to fund the homeownership programme. This fact alone, one that has significant fiscal implications – but also a fact the Government, to my knowledge has thus far, never canvass as a reason to raise taxes would make it important for the Government to provide a breakdown of the dollar value of taxpayer subsidies for the home ownership programme. The broad answer given to my Parliamentary Question on a breakdown of taxpayer subsidies filed last month was that the taxpayer subsidies are not the same across BTO developments. This reply raises important, questions of fairness and equity.

Mature BTO flats are more highly sought after compared to non-mature flats precisely because there is a greater profit and upside to be made after the Minimum Occupation Period, bringing the question of subsidies into acute focus.

Mr Speaker, I speak without benefit of the information sought in my Parliamentary Question. Based on the Minister's reply, it would appear that an applicant who succeeds in securing a BTO flat in a mature estate where flats can be significantly more expensive, benefits from more taxpayer subsidies than one who secures a flat in a non-mature estate. With respect to these taxpayer subsidies, a distinction

between mature and non-mature BTO flats is important because any deployment and subsequent recovery of subsidies for the home ownership programme ought to be, in principle, equitable and progressive.

To this end, different subsidies allocated for different HDB BTO developments did not prevent the former Minister for National Development Khaw Boon Wan from sharing the dollar value of subsidies for specific BTO developments. On 9 September 2012, in a written answer to a question by Member of Parliament Ellen Lee, even without being specifically asked, the Minister shared the example of Waterway Banks – a BTO project launched in November 2011 in Punggol. The then Minister shared that this project had 1,016 units of 2- to 4-room flats. The project cost was \$279 million and the sales proceeds amounted to \$240 million with taxpayer subsidies making up to \$39 million.

The then Minister's answer starkly makes the point that there is actually no reason that can adequately explain why the current Government does not release the information on the taxpayer subsidies allocated for each BTO development. Coming back to Minister Khaw's revelation of subsidies from the Waterway Banks' project, will Minister Desmond Lee confirm if taxpayer subsidies to make up the difference between the sales proceeds and project costs are applied equally, regardless if a buyer purchased a 2-room or 4-room flat for example, or is the subsidy tiered proportionally to flat sizes?

Compounding the matter of limited transparency on subsidies further, is the application of the resale levy at the point of sale. The policy intent of the resale levy is to reduce the taxpayer subsidy the buyer receives on their second subsidised HDB BTO flat and ensures a fairer distribution of subsidies between first and second timers. At the point of sale of their first subsidised flat, the first time buyers of both a mature and non-mature BTO flat must return some portion of the taxpayers' subsidies they originally received through the resale levy.

Can the Minister clarify, for individuals who bought a BTO flat after 3 March 2006, when there was a change in resale levy policy, what is the range of subsidies a 4-room mature and non-mature BTO flat lessee respectively would have received, even though the actual resale levy is fixed for both lessees at \$40,000 by HDB?

Until the Minister releases more information, it is open to question if the payment of the resale levy, which crucially does not distinguish between mature and non-mature flats, is either fair or equitable in view of the potentially wide variation between the original subsidies allocated to either lessee upon the purchase of their first BTO flat.

I hope this information is forthcoming so alternative pricing models for HDB flats, a fair allocation of taxpayer subsidies and new policy proposals can be considered and advanced.

In conclusion, Mr Speaker, the PAP Motion as drafted, does not sufficiently take into account the reality that the Government should endeavour to make HDB BTO flats more affordable and more accessible than they currently are. The Workers' Party proposes an amendment to the Motion in the name of the Minister for National Development.

The single amendment is as follows: in line three, to delete "endorses the commitment of the Government to" and insert "calls on the Government to intensify its efforts to meet".

Sir, I seek your permission to move the amendment. May I hand over a copy to you before seeking your approval to circulate it to Members?

8.45 pm

Mr Speaker: Can I have a copy of the amendment? [*A copy of the amendment was handed to Mr Speaker.*]

Mr Pritam Singh: Yes.

Mr Speaker: Mr Singh, do you have copies made for amendments?

Mr Pritam Singh: Yes, Speaker, I do.

Mr Speaker: Can we circulate them? [*Copies of the amendment were distributed to hon Members.*]

The proposed amendment by the Leader of the Opposition to the Motion on Affordable and Accessible Public Housing is in order. Please move your amendment.

Mr Pritam Singh: Sir, the single amendment is as follows:

In line 3, to delete "endorses the commitment of the Government to" and insert "calls on the Government to intensify its efforts to meet".

I ask Members to consider whether the current anxieties of Singaporeans do not warrant greater effort by the PAP Government to review its commitment to affordability and accessibility with respect to public housing.

Voting for the PAP Motion, as drafted originally by the Minister for National Development would mean that Singaporeans are satisfied with waiting up to four to five years for a HDB BTO flat.

It would also mean that Singaporeans do not have quarrel or concern with the price of some BTO flats, such as 5-room BTO flats in Ang Mo Kio, priced at \$877,000 and the significant increase in resale flat prices across the board recently.

It would also mean that young couples and first-time Singaporean families who cannot secure a HDB BTO flat in a timely fashion and are pushed to the resale market where resale prices are higher than they have ever been – are not seeking better outcomes from public housing policies.

We know from our engagement with Singaporeans that this is not the case.

In the circumstances, it would be thoroughly underwhelming and missing the point for this House to carry a Motion which endorses the commitment of the Government's effort on affordability and accessibility thus far.

Amending the Motion to call on the Government to intensify its efforts to make HDB flats more affordable and accessible would be consistent with the reasonable expectations that Singaporeans have for public housing today.

For the record, the Workers' Party has no fundamental objection to the PSP's Motion. One PAP Member inferred the PSP's Motion to be insidious. The Workers' Party does not share that view. We do not read any implication into it but see it as a call on the Government to review its public housing policies with the view towards greater affordability and accessibility. This is something the Government, to its credit, does regularly in response to feedback.

For example, at the last Committee of Supply debates, specifically on HDB Priority Schemes, the Workers' Party called on the Government to increase the ballot opportunities for first-timer, married couples with children to secure flats. Sometime later, the Government announced changes broadly along these lines.

On the PSP's specific proposals which are separate from the wording of the Motion, we believe a deep conversation of the options surrounding land pricing policy and how land for public use is valued, should be a priority of the Government to ensure HDB flats can be more affordable and accessible, particularly in the face of the use of more taxpayer subsidies to fund the HDB home ownership programme. *[Applause.]*

8.53 pm

Mr Speaker: The question is, that the words proposed to be left out, be left out.

The House has resolved on 6 February 2023 that the Motions on Affordable and Accessible Public Housing, and Public Housing Policies and on any other amendments moved by Members on these two motions be proceeded simultaneously as a debate on a single question. In accordance with the decision of this House to have a simultaneous debate on both Motions and amendments, we will proceed.

Any clarifications for the Leader of the Opposition before I call on Minister Desmond Lee? Leader.

Ms Indranee Rajah: This is not so much a clarification. It is just a short point of order which probably does not require a reply. But it would have been helpful if the Leader of the Opposition had put forward the amendment earlier so that Members would have had the benefit of seeing the amendment and have been able to debate it. I do not, of course, that it comes just after everyone else has spoken and just before the Minister will speak.

Mr Speaker: Ms Sylvia Lim.

Ms Sylvia Lim (Aljunied): Thank you, Mr Speaker. I just wanted to respond to say that it reminded me very much of the Justice Motion that I tabled in November of 2020 when Mr Murali put forward an amendment to the Motion at the last minute.

Ms Indranee Rajah: And, indeed, I am sure Mr Murali had good reason to do so because I think his amendment came after listening to various speeches. But this amendment, I think, could have been done a lot earlier. But it is all right, we will deal with it as it comes.

Mr Speaker: I now call the Minister for National Development to make his reply on his Motion on Affordable and Accessible Public Housing, followed by Mr Leong Mun Wai for his reply on his Motion on Public Housing Policies thereafter. I will put the question in respect of each Motion to the House for voting. Minister for National Development.

8.55 pm

The Minister for National Development (Mr Desmond Lee): Thank you, Mr Speaker. First, I would like to thank Members on both sides of this House who have shared your views on public housing. It is an important topic for this House. It is an important topic for Singapore and this discussion is taking place at the time that we are in, after the COVID-19 pandemic.

Sir, in many other cities, housing is largely a matter of personal responsibility. Residents look for their own housing on the open market, do their sums, borrow if they have to and find their way – whether to buy, rent or some other arrangement.

Governments intervene largely by enabling private developers to build and sell homes to people. They may provide public housing but this is usually as a social safety net for the lower income.

In Singapore, we have taken a very unique approach, one that has been developed over the decades since Independence and continually improved to achieve two very important fundamental objectives.

First, public housing is social policy. We are building homes to give Singaporeans a roof over their heads, but we are also building diverse communities for Singaporeans to live, bond and experience life together. In doing so, we build a nation as one people.

Second, we want to give Singaporeans a stake in the nation by having a home they call their own and sharing in the progress by unlocking the value of their homes and growing their nest egg. Today, 90% of Singaporean households own their HDB homes.

To achieve this, we harness a combination of national policy and Government resources on the one side and elements of the open market on the other side, to help unlock the value of people's homes. But in so doing, we must be very clear-eyed about long-term sustainability, as many Members who spoke during the debate have underscored.

Mr Speaker, in my opening speech, I explained clearly that the supply tightness and the spike in resale prices we face today is a recent phenomenon triggered by COVID-19 disruptions. We all went through this together. We are taking active, concrete steps to resolve the imbalance and address the concerns that Singaporeans have raised.

We are decisively ramping up the housing supply and will launch up to a total of 100,000 new flats between 2021 and 2025. Members may recall that we announced this in 2021, in the midst of fighting COVID-19.

We will also launch more Shorter Waiting Time flats, of around 2,000 to 3,000 flats per year by 2025, and we will recalibrate our building programme over time so that they make up a larger proportion of new flat supply, with flat supply comprising BTO flats, Shorter Waiting Time flats as part of BTO flat supply, Sale of Balance Flats and Open Booking of Flats, on top of the resale market options.

Mr Xie Yao Quan, Ms Denise Phua, Mr Louis Chua and Mr Leon Perera had called for building ahead of demand and building Shorter Waiting Time flats.

We have priced BTO flats to ensure affordability and kept BTO prices stable in the last two years.

To prevent the resale market from running ahead of economic fundamentals, we implemented two rounds of cooling measures and are seeing some moderation in the rate of increase in resale prices.

We are still closely monitoring the housing market and we hope that Members can be patient and watch as it develops.

I have also committed to Singaporeans that we will not stand by but will continue to enhance the accessibility and affordability of public housing.

We acknowledge the concerns of first-timer couples trying to set up their very first home and have been studying ways to better help them get their first homes faster.

We understand the concerns that people have raised about higher BTO prices in mature estates.

We have sought to address some of these concerns through the Prime Location Public Housing (PLH) Model in the more central and very attractive locations in Singapore.

I thank Mr Xie Yao Quan, Ms Janet Ang and Ms Denise Phua for their suggestions to expand the PLH model to other locations.

We will continue to review our housing models to ensure affordability and accessibility of flats in other mature estates and choice locations, while avoiding an excessive windfall gain to those who successfully book a flat in such areas.

In fact, the Leader of Opposition spoke about Central Weave @ AMK. The price he cited was that of the most expensive 5-room flat on the top floor in a location in the heart of Ang Mo Kio Central, next to a hawker centre, next to a wet market, next to two shopping malls, next to the MRT station, next to the bus interchange, next to parks and other amenities. It was a conscious decision to build public housing, as opposed to private housing.

Recently, there were GLS sites and launches of private housing in Ang Mo Kio, not in Ang Mo Kio Central. The prices for private housing, which I think you can compare and are clear for all to see, is that there is a clear distinction in prices between the HDB flats in this project in Ang Mo Kio Central and private housing launched by the private sector.

In the brochure itself, members of the public as well as Members of this House can see the range of BTO prices before grants as well as the market comparables for HDB resale prices nearby, which after adjustments, will give you a broad sense of the gap between what is available on the resale market and what is available as subsidised housing in a choice mature estate.

But what I have also emphasised is that this Government needs to provide affordable and accessible public housing, not just for this generation but also for future generations of Singaporean. This is long-term sustainability.

We are a small city-state, 720 square kilometres with many competing needs and our scarce land needs to be carefully stewarded. We will create space to meet the needs of today's Singaporeans and tomorrow's generation, but this will involve rejuvenating and recycling land, and building more intensively.

Resources are limited. Singapore has no natural resources to rely on. We have to create and build up the fiscal resources needed to support the home ownership aspirations of Singaporeans.

So, how do we allocate limited resources for public housing among potentially unlimited housing needs, while reflecting our values as a nation?

We will prioritise first-timer families who need housing to build their families. We will help lower-income households more because we believe in housing as a social leveller.

Our housing policies also reflect our values of prudence and sustainability. We must not subsidise housing at the expense of other equally important needs for Singapore. We must not enhance housing accessibility and affordability of this generation, by robbing our future generations, whether of land or fiscal resources, or the reserves which are intended to put them in better state, through thick or thin.

This is what a responsible Government should do. Above all, we must continue to build a nation of home owners, for this generation and the next, to continue the legacy our forefathers have started.

We firmly believe in home ownership, as it provides us the stability to build our families and raise our children, give us a sense of rootedness in Singapore and allow us to have a stake in our country's progress.

Home ownership has worked for us and we need to continue with the good work to make it work for the next generation. That is why we sell HDB flats on 99-year leasehold, which strikes a balance between providing a home-for-life, asset appreciation and enabling us to rejuvenate our city and build new homes for the next generation too.

Ms Hazel Poa, the Leader of the Opposition and Mr Louis Chua asked why we did not build even more and even faster. At the same time, several Members have sounded a word of caution, taking a longer-term view and looking at the lessons of the past.

I have just said that we are already doing that. Today, we are already overseeing almost 100 BTO projects island-wide, at different stages of construction. There are almost 80,000 HDB flats under construction, as we speak.

We will press on. This high tempo will continue and by about 2025, we expect to have about 150 BTO projects going on at the same time.

By contract value, HDB is not just the largest housing developer, but also exceeds all the other private residential housing contracts combined by more than 50%. So, we are already building aggressively and at large scale.

We should also remember that HDB is not the only one ramping up, especially after the pandemic. Since the pandemic started to subside, the overall pace of building and construction on our island has gone up very significantly.

Individuals, businesses, private developers, organisations, Government agencies are all pushing ahead with their important projects while doing catch-up on COVID-19-related delays suffered by existing projects.

Fiscal resources, foreign manpower and construction capacity are not without their limits.

Several Members, including Ms Hazel Poa, Mr Louis Chua and the Leader of the Opposition, have suggested that the Government has under-estimated demand and under-built the supply of flats. Ms Hazel Poa suggested that the Government knows the number of marriages and the immigration numbers. The Leader of Opposition has indicated a wider range of parameters.

We do in fact have models that take into account many considerations – marriages, births, deaths, income levels, economic conditions and cycles, demand for different housing types and so on – in trying to project the real demand for flats and for property in general.

However, as we all know, it is not a perfect science and it certainly cannot account for sudden shocks and what sudden shocks can cause in terms of human psychology and market behaviour. In fact, for many years before COVID-19 hit, application rates for BTO flats were low and in fact, the resale market was soft. I had mentioned all of these in my opening speech. I trust Members, including Members of the Opposition, had listened to that. In fact, my colleague, Senior Minister of State Sim Ann, had emphasised those points.

Then COVID-19 hit, the dynamics shifted rapidly and we are in the current situation where demand for housing shot up. The housing market is highly sentiment-driven and demand can suddenly appear, or disappear.

Let me give a real example. At the height of the property boom in the mid-1990s, there were as many as 150,000 buyers in the queue for public housing and the wait for a flat could be as long as seven years.

However, when the Asian Financial Crisis struck in 1997, the queue vanished, virtually overnight, some say. HDB ended up with 31,000 unsold flats, which took more than five years to clear.

Because of the unintended oversupply, home buyers could walk in to buy ready flats in the early 2000s. However, home owners paid a heavy price, with flat prices, or resale flat values, staying depressed. Some who bought flats just before the crisis ended up with negative equity and even lost their homes and hard-earned savings. The many unsold flats represented a waste of taxpayers' money.

The holding cost incurred from the vacant housing stock is not inconsequential. It was money that could have been spent on other uses – healthcare, education and other areas, especially after a financial crisis.

People who were sitting in this House at the time were asking lots of questions. The Auditor-General was asking lots of questions. I can tell you that if you were to look at the records, the mood was quite the opposite of what you are hearing today.

Several Members of Parliament like Miss Cheryl Chan and Mr Sitoh Yih Pin also pointed out that the danger of oversupply is real. Should there be a persistent or significant oversupply of housing, this imposes a downward pressure on the housing market, which in turn hurts the asset values of all flat owners.

Even the Workers' Party is cognisant of the implications of an oversupply, as seen in their 2019 Working Paper on HDB resale prices. But today, with perfect hindsight, they are asking about actions of the years before. This indicates that vulnerability.

The paper mentioned, "Assuming an average household size of 3.3, this would mean that around 9,000 or so new dwelling units are required annually. Completions within the same time period have far exceeded the resident population growth. Private vacancies have only started to inch down, but there are still around 12,000 private units completing up to 2022." And then it goes on to say, "Will the HDB have a vacancy rate problem, compounded by a still steady stream of 16,000 to 17,000 BTO units in the last few years, which will continue to increase supply up to 2022?"

This was a report commissioned within the Workers' Party, quoting experts from the property sector. In 2019, they cautioned HDB from persisting in building 16,000 to 17,000 BTO units, instead saying: would vacancies cause problems? Better just go down to around 9,000 BTO units or so because they made a lot of assumptions. They marshalled a lot of data and experience, and this was the recommendation.

So, in 2019, the Workers' Party was recommending that HDB should only build 9,000 dwelling units or so. To put this into context, HDB launched around 16,000 flats in 2018, the year before the report; 15,000 flats in 2019; and 17,000 flats in 2020. The rest is recent history. Had we tapered down our supply to the Workers' Party's levels in 2019, or listened to you and your experts, I think our BTO shortage would be even greater today.

So, I think we all accept that the best of models cannot, firstly, fully account for black swan events. Secondly, you cannot be certain how market psychology would work and there is a confluence of factors that come together to determine housing market sentiments. This shows just how difficult it is to accurately predict residential property demand, or for that matter, the direction and size of movements in the property market.

We therefore need to be careful in calibrating flat supply to meet demand. Most importantly, it is important for us not to try to ascribe a wrong set of reading of the facts because before COVID-19 struck, the data, in terms of application rates across the board, as well as resale prices, indicated that the housing market was relatively stable – until around the time of COVID-19 when the situation changed.

And in fact, think about the crises. During the Asian Financial Crisis, demand vanished and prices plunged. COVID-19 is a crisis of a different sort, but it is still a crisis. The exact opposite happened: demand went up. Today, with perfect hindsight, we still make conjectures as to what we think caused this change in movement. I described, or attempted to describe, just some of those broad strokes in my opening speech.

So, I think it is very important for us to recognise what we ourselves had said in 2019 as we sit here and try to pontificate about what the Government had or had not done.

Several Members, Mr Leong Mun Wai and Mr Jamus Lim for instance, have also put forward proposals that effectively will result in a draw on past reserves.

Most of the points have been dealt with by my colleague, Minister Indranee Rajah, but in fact, Mr Jamus Lim sought to justify that paying lower land price is a way of "being present" for the current generation.

Mr Leong proposed the Affordable Homes Scheme, which as my colleague, Senior Minister of State Sim Ann and many Members of this House have explained, is not a better alternative to addressing the challenges of affordability and accessibility, compared to what we have today and compared to what we intend to do and are studying to do.

Minister Indranee Rajah has also explained that if the occupiers of flats under this scheme do not sell the flats, then by leaving land costs out of the equation of this proposal, it is effectively a draw on the reserves.

We have also heard many suggestions on improving public housing affordability. We have shared that we price new BTO flats based on affordability, not at the median level as the Workers' Party has repeatedly called for, or what was originally in the PSP's manifesto of 2020 – though, having heard Mr Leong, I am not sure if the manifesto still stands.

We have shared that we price new BTO flats based on affordability for different income levels. Based on the market value of the comparable flats, we then apply a significant discount to ensure they remain affordable to first-time buyers across different income levels, not just at the median. On top of that, we provide additional grants for first-timer families, with more grants to those who need them the most.

With this approach, today, HPI, or Home Price to Income ratio, is less than three after grants for those at the 25th percentile – or households at the bottom 25% in terms of total household income.

In 2022, almost nine in 10 first-time BTO flat buyers have mortgage servicing ratios (MSRs) of less than 25%. What it means is not just a statistical fact. Nine in 10 of these families use less than a quarter of their total household income to pay for their mortgage instalments. They can finance their HDB loan completely with CPF, with little to no cash needed. The MSR figures are even lower for those at lower-income percentiles with the higher grants they receive.

To give an example, using the average price of \$342,000 for a 4-room BTO flat in a non-mature estate in 2022, a family with a household income of \$5,000 can receive \$45,000 in housing grants and affordably purchase the BTO flat at an MSR of 21%.

In other words, they can service their mortgages entirely from their monthly CPF contributions, with no cash outlay.

This is an appropriate time in which I deal with the Leader of the Opposition's questions repeatedly about transparency and the extent of the subsidies given to buyers in the mature estates and the non-mature estates.

I have explained and my colleague Ms Indranee Rajah has tried to explain. In fact, in this speech, just moments earlier, and in my opening speech, I tried to explain and break down how we price HDB flats. Also, in reply to Mr Gerald Giam in a Parliamentary Question, I thought I tried to explain very clearly and answer some of his questions.

When we build HDB flats, we look at the market comparables for HDB because it is public housing. Then, we determine the affordability indicators for different income levels, the mortgage servicing ratios, and we then know that we need to price it at a certain level so that buyers can be able to afford at the indicators that are in the report card, as what we say each time when we announce on affordability. And these prices are significantly lower than what the resale market can bear.

I will just wind back. HDB is already the most transparent on its pricing and costs than any other property developer. You can look at the brochures. You asked for more information but the information is already there and explained at length to the Member.

Look at the information when we put out at every launch. For every project, we have the range of BTO prices, which are subsidised, and right next to it is a column of the comparable resale prices.

We have to make some adjustments because depending on the level, depending on the amenities, depending on the tenure, we have to make adjustments and these are adjustments made using valuation principles.

So, once you have done that, you can see that this difference in the brochures, in the information that we put out, for every launch, for many, many years already, broadly reflects the extent of the market discount, which is real and which buyers can realise after MOP when they sell because the BTO price is significantly below market.

But I have also taken pains to explain to the Member that we have to make adjustments. We have to recognise that for each flat type, there are different floors and so we put the range. Likewise, the comparables also have different flat heights. So, we put the range to be transparent.

That difference broadly reflects the extent of the market subsidy for the projects. And you can see today that it has become very large compared to, say, 10 years ago. It is very clear. That – and I did not mention in my opening speech – in turn feeds the psychology when you see the resale prices going up and BTO prices remaining almost the same. There is the sense that BTO is a better deal now, better go for it, especially in good locations.

But as I also explained to the Member, if you want to know the extent of the subsidies for each project, you also have to take into account the other half of the picture. Because apart from significant market discounts, you would be familiar with the grants that we give – Proximity Housing Grant, Enhanced CPF Housing Grant, so on and so forth. That has got various parameters, so it is not so straightforward. It depends on means testing, it depends on flat type, it depends on whether you tap on the scheme for Proximity Housing Grant to open up that grant to yourself. That gives you a sense of the picture.

The proceeds from the sale of flats – and all this is not new; I have said this a number of times – the proceeds that HDB collects is less than land and construction costs. And they are every year. And that is why Mr Leong Mun Wai's proposal is far more expensive to the ordinary citizen than it is under our scheme and Members who have spoken understand what this is so.

The land and construction costs every year is more for our HDB projects than the proceeds we collect because of the discounts we give in terms of market subsidy as well as the grants that are means tested or based on flat type, based on proximity, based on Fresh Start, based on this and that, and the proceeds we collect are significantly less than how much we spend.

That is why I explained in the opening speech, if you were listening carefully, that the development cost, which is how much we spend and how much we collect are on two parallel tracks and they converge when you see that there is a gap, a deficit, between how much you spend and how much you collect. That is the \$3.85 billion deficit in HDB's Home Ownership Programme in the last financial year – and two-point something billion dollars before that and one-point something billion dollars before that. That is for all the projects.

The Leader of the Opposition makes a good point about whether there is equity. Are we giving people in certain projects more discounts or subsidies than others?

Whether there are more discounts and subsidies, again, depend on those factors, but the broad market discount across all projects, barring PLH, in the same launch is broadly in the same parameter to ensure there is equity. But later on, when they sell, it depends on the resale market, it depends on the condition of the flat. Property valuers will tell you that, property agents will tell you that, your residents who buy and sell instinctively know that.

Okay, maybe we can clarify over coffee later if you need more information. [Laughter.]

So, that is the extent of the difference. For PLH, we give additional market discount in order to make sure that the sticker price before grants is still within reach of Singaporeans. We have to give extra subsidy.

That is why for your mature estate BTO prices, they have to be higher generally than in non-mature estates because they account for the difference in location, the valuations, the amenities, the distance to the city, so, a number of factors and also because we try to apply an even-handed extent of market subsidy. You can see that information on the brochures. I have said that. This is the third time I have said that.

In terms of HDB as a transparent developer, I have said that it is more transparent on pricing than others.

Construction costs, if you care to know, most private developers will not tell you that. It is all a part and parcel of their financial statements. But construction costs are published on HDB's website and GeBIZ, and the cost of building flats and the revenue from sale of flats can be found in HDB's financial statements.

All of these are audited. All of these are subject to the Auditor-General's overall supervision.

This is more than what private developers typically disclose. We understand private developers, as I said in my opening speech, do things differently which is probably more intuitively to most of you. They look at the cost of development, cost of marketing, and recover that cost and price for profit and return.

But HDB is pursuing a social objective. Deficits are a function of achieving those goals of affordability and accessibility.

Let me turn to why – and I am not sure whether I need to go into this but many Members, including my colleagues have explained. As a result of what I have just described, the PSP's proposal is going to be far more expensive to those whom in the ordinary nature of things, buy because they want to have a home and then at some point in time, they need to sell.

Most people do not go into the housing market either thinking this is a home for the rest of my life or going in as a pure speculator.

I think it is perfectly human to say, when I buy a home, it is a home. I am going to spend money, I am going to invest in it. It may make money, it may lose money, it may break even. I hope to live there. It is a lot of effort to move in, renovate and move in and there is social capital to invest in your neighbours and all that, with children in the schools nearby.

But it is not wrong for some of these people to say at some point in time, my life circumstances have changed and I need to sell – not sell to make money but sell because it is part of life's circumstances.

So, I think if PSP ascribes to everyone who is a reseller that you must then punish them with a certain way of pricing on resale, then I do not think that is being fair to Singaporeans. That is not being fair to our own human nature when we are buying homes.

Yes, there are speculators, but I think most Singaporeans look for a home but hope that also helps with their retirement adequacy, gives them a sense that their asset will appreciate. Yes, there will be ups and downs based on the market cycle. But I think it is not incongruent to expect both, especially if this is the single largest expense or investment of your life.

So, therefore, we clearly charge below construction costs and land costs whereas the PSP's proposal is, well, you live here forever. It is an expense, it is a user fee. But the moment you resell, based on the land costs from I do not know how many years ago when you first bought from us, we will accrue the interest and if you bequeath to your children, they will pay the land costs and interests over two generations.

I think, clearly, without even the interest accruing, the fact that you expect the buyer of a flat to pay for construction and land costs at a point when they finally need to sell and move, is just plainly more expensive and more unaffordable for Singaporeans than the existing model.

Many Members have already explained why they think Mr Leong Mun Wai's Affordable Homes Scheme will not work and will not solve the issues we are facing today or tomorrow.

Mr Leon Perera and Mr Gerald Giam reiterated the Workers' Party's proposal to peg non-mature estate home prices at three times the median annual household income.

I will not go into detail on this because I think there was very robust discussion between Workers' Party's Members of Parliament and my colleague Senior Minister of State Sim Ann on this issue of affordability. But whether it is a HPI of 5.0 or 3.0, if you look at the Parliamentary Question data that we have given to you for the HPI that Singaporeans at different income levels have, you will see that it is at five generally for non-mature estates and for lower-income families, it is around three or less. The charts show that.

Most importantly, the vast majority use CPF and pay little to no cash. Those are indicators of affordability. Mr Lim Biow Chuan also very eloquently explained that the fact that people are prepared to spend and invest in a property as opposed to renting because they cannot afford – all these are indicators that give you a sense that BTOs are broadly affordable.

So, if the Workers' Party says they will want to make significant changes to the Motion because they think that a lot more work needs to be done for affordability, then I think they have not explained how in bringing the HPI from the current level to three; and in fact, for some, it is already below three and you are going to raise it to meet your HPI of three artificially, by increasing prices for the lower income to meet

your dogmatic three, I think an important question is how will you fund it? Will you fund it by, like how Assoc Prof Jamus Lim has said, valuing housing so much like a social good, like a park, like a hospital, like a school, or like roads – \$1 a metre he said.

So, while the proposal sounds attractive, it ignores the trade-off that far lower prices would attract even more flat applicants, whether they genuinely need housing or not. It also does not address the windfall gains enjoyed by flat buyers, some of whom may be from the higher income levels and, quite apart from first-time BTO sale, how do you ensure the affordability of the resale market over time. That dogmatic proposal achieves none of that.

And so, we think this is one-dimensional and my colleague Senior Minister of State Sim Ann had already addressed this and keeping in mind time and that my learned colleague Mr Leong has to speak after this.

So, instead, we want to offer a variety of housing options of different sizes in different locations at different price points to cater to varying housing needs from our flat buyers.

Sir, in over 50 years, we have provided housing for a nation in what Ms Janet Ang rightly pointed out – a city-state, very limited land, no resources but for the industry of people and their imagination, their will power, their drive, their willingness to sacrifice and see the big picture.

We have done this against the odds. Not us, but our forefathers have set the right example. They demonstrated the ethos of hard work, prudence, selflessness and sacrifice. They not only resettled in and housed a generation – and it was by no means an easy feat – but also built up the resources that we enjoy today. We must embrace the same values and not pursue housing policies that benefit ourselves at the expense of future generations. But we should also embody our pioneers' spirit of always seeking to do better and to overcome our constraints with creativity and far-sighted planning.

Therefore, we started a series of Housing Conversations with Singaporeans under Forward Singapore since last year to hear their aspirations and ideas, their hopes and fears. We will study their ideas, including the suggestions we hear from Members from both sides of this House during these two days of debate, so that we fulfil that commitment to the twin goals of continually ensuring affordability, accessibility and continuing to improve our housing system.

My colleague Minister of States Assoc Prof Faishal Ibrahim has already explained how we proactively planned ahead and made provisions to help seniors monetise their flats to supplement their retirement. Because one important theme that came up in this debate was whether housing gives you a peace of mind, build up a nest egg and affords retirement adequacy. And we have also come up with new and better housing schemes such as the Community Care Apartments.

9.33 pm

Mr Speaker: Minister. Leader.

TIME LIMIT FOR THE MINISTER FOR NATIONAL DEVELOPMENT'S SPEECH

(Suspension of Standing Orders)

The Leader of the House (Ms Indranee Rajah): Mr Speaker, may I seek your consent and the general assent of Members present to move that the proceedings on the item under discussion be exempted from the provisions of Standing Order No 48(8) to remove the time limit in respect of the Minister Desmond Lee's speech.

Mr Speaker: I give my consent. Does the Leader of the House have the general assent of the hon Members present to so move?

Hon Members indicated assent.

With the consent of Mr Speaker and the general assent of Members present, question put and agreed to.

Resolved, "That the proceedings on the item under discussion be exempted from the provisions of Standing Order No 48(8) in respect of Minister Desmond Lee's speech – [Ms Indranee Rajah]

AFFORDABLE AND ACCESSIBLE PUBLIC HOUSING, AND PUBLIC HOUSING POLICIES

(Simultaneous debate on both Motions)

Debate resumed.

9.34 pm

The Minister for National Development (Mr Desmond Lee): So, I was speaking about the new housing models that cater to seniors – and we are not done yet. We are not done yet.

We continue to make an extra effort to help the lower income own their own homes, so that their next generation will have a leg-up in life, which another social element behind public housing. To ensure that we help lower-income groups fulfil their home ownership aspirations, our housing grants are tiered such that they receive more in grants.

We have also introduced the ComLink Rental Scheme, enhanced the Fresh Start Housing Scheme and set up the Home Ownership Support Team to closely support rental families towards progress, stability and the path to home ownership. And I was cheered when I heard Ms Janet Ang speak earlier about actual families that she works with.

I have talked about the past, a few years before COVID-19, to show how we have kept building and keeping pace with housing demand and needs, how we try to build a model to anticipate, how during the COVID-19 black swan event, things turned out the way they are, what we are doing, the commitment that we have made to address these issues openly, assiduously, transparently, and my colleagues at MND and HDB and many other agencies are working really hard to tackle today's challenges.

But we also must look at affordability and accessibility and the public housing of Singapore into the future as well.

So, the important question is, will we have enough land and resources to build new and better homes for younger Singaporeans, and the generation after them and the generation after that. We do. And we will be able to find the space to build homes for Singaporeans for the long term. There are a number of ways we do this.

First, we will be making some big moves to create space. These include the relocation of Paya Lebar Airbase which frees up land for us to build some 150,000 new homes equivalent to the number of homes in Punggol and Sengkang combined. The Greater Southern Waterfront has not just infrastructure but also provide for affordable housing in that area. It will also be transformed into a new major gateway and location for urban living along our southern coast, including 6,000 new public housing units to be built on the Keppel Club site. And these are some of the exciting new bounds in our ambition as a distinctive city and enduring home.

Second, we will continually redevelop older parts of our city and in due course, also rejuvenate our older estates through the Voluntary Early Redevelopment Scheme, or VERS. This provides us the opportunity to redevelop towns in a sustainable manner and ensure equitable housing through the generations.

But will we, the people of Singapore today and tomorrow continue to afford public housing? Yes.

First, we build and price BTOs to ensure affordability for Singaporeans of various income levels. Access to BTOs is based on income eligibility and other criteria. This allows us to ensure BTO flats can continue to remain affordable over the long term.

Second, for mature estates, we will price flats affordably but as I described at length earlier, we cannot price them like non-mature estates. We have implemented the Prime Location Public Housing (PLH) model to ensure that flats in the central locations remain affordable at the point of sale and subsequent resale. But they come with additional conditions to ensure equity and fairness, so that we ensure a good mix of Singaporeans from more diverse walks of life, while ensuring fairness between PLH owners and other flat owners.

For choice projects in the mature estates, we must study carefully how to continue to keep BTO prices there affordable, and Members have given many useful suggestions in this regard. For the resale market, we can also continue to ensure that it grows as an asset for a good part of its duration, for the good part of a buyer's life and yet remain affordable.

Today, resale prices are as they are, and we have put in cooling measures to address them. But in the long term, resale prices will be kept affordable and yet remain largely as an appreciating asset for the nest egg of Singaporeans through a combination of grants and policy measures such as PLH and others, as well as measures to ensure that the property market does not run ahead of economic fundamentals.

More importantly, we do this by growing the economy and growing the incomes of Singaporeans at every level. So, their incomes grow, and their ability to spend, their ability to invest, their ability to look after their families grow.

Mr Speaker, this debate has been very valuable in allowing us to clarify and put forward clear facts to address the concerns of Singaporeans. And by no means are we saying through this Motion that all is well and good and that nothing needs fixing, and it is a perfect system. As I said in the opening speech and as reported in the papers, our system is far from perfect but it has achieved through the generations, the outcomes that we have laid on the table today.

And there are things that we have to tackle today. There are the imbalances of COVID-19 but there are also work-in-progress pieces as part of social policy to ensure affordability and accessibility as our households change, our society matures, our economy evolves and expectations change. And that is our commitment to those twin goals.

Public housing has been and remains accessible and affordable broadly to Singaporeans. And in the next lap, we will face new challenges in terms of ageing infrastructure, more binding land constraints, climate change and we will need our resources, our reserves and our wherewithal to go through them.

As I set out in my opening speech, we disagree with the PSP's claims in its Motion and decided to table our own Motion. One reason is because we believe that we must maintain housing accessibility and affordability while keeping sustainability in mind, and upholding a culture of politics, where we discuss hard truths and trade-offs in a transparent manner, robust manner, even if they may not all be popular.

Throughout this debate, Members from both sides of the House also agree that fiscal sustainability is imperative. In fact, Mr Leong and the PSP's position seems also to have shifted, from pricing flats based on median incomes in the 2020 manifesto; to December 2022 where they proposed eliminating land cost totally from the cost of developing public housing; to today, a deferred payment scheme where owners

pay the full cost of land with accrued interest only when they want to sell the flat, as we learnt yesterday. I think Mr Leong and many Members may disagree whether it is a mischaracterisation or whether it is military strategy, I think it is quite clear to most of us, including objective observers, that there has been a change.

I welcome the convergence of both sides of the House on this principle of sustainability, which lies at the heart of our Motion. I was quite taken by what Mr Cheng Hsing Yao said, and I would like to quote briefly from him. He spoke sensibly and passionately about policy trade-offs yesterday. He said: “An enlightened public leader will carefully weigh the pros and cons of each policy option, never downplay the trade-offs, never sacrifice the long-term benefits for short-term gratification.” He also cautioned all of us in this House that if we were to give in to the “appealing rhetoric that understates the trade-offs and real costs”, “eventually, it is still the people and the man in the street that suffer the most”.

Sir, the PSP’s Motion has noble intentions, but the claim by the PSP that our public housing system is fundamentally broken is something that we cannot accept. It is not a perfect system, there are things we need to improve today and tomorrow, but to say it is fundamentally through and through unaffordable and inaccessible and needs a radical change of the kind that he is proposing together with his party, is something we cannot accept. And if I may say, I believe the Workers' Party also agrees with the Affordable Homes Scheme as part of supporting the Motion, but you can clarify.

And as we said, we think the proposals put forward by the PSP do not address today's problems and certainly do not address tomorrow's problems.

Instead, today we have a system that seeks to ensure affordability and accessibility in public housing for Singaporeans, while allowing them to have a stake in Singapore, to enjoy the fruits of economic progress and income growth through the asset of their home so that they can build up their nest egg.

Disruptions from the pandemic have caused imbalances, which we are working hard to address. As I said earlier, our system is not perfect, but we keep improving it and striving to make it better. And we have a strategy to ensure public housing remains affordable and accessible into the future.

In that regard, Mr Speaker, I do not know whether it is right to say it now or later, I propose that we reject the PSP Motion, we reject the Motion for the reasons I have said. Stand with us, support our Motion, support the plans for today and tomorrow, and let us work together on our public housing journey.

As for the Workers' Party's proposal, I think the fact that we have a commitment to the twin goals implies this spirit of always wanting to improve, that there are issues that we face today and tomorrow's challenges are something we have to keep an eye on.

I think that is evident from the opening speech, that is evident from my colleagues' speeches, that is evident from the speeches of speakers in the House. For the Leader of the Opposition to characterise our Motion as us sitting on our laurels and, therefore, necessitating this late amendment, I think it is misplaced. And, therefore, I propose that we reject the PSP Motion, vote down the Workers' Party's attempts at politicking and stand with us, stand with public housing, stand with giving every Singaporean a stake in housing but address with all humility the pain points and challenges that they face today as a result of COVID-19 and tomorrow as a result of the changes in society that Singapore is going through. Mr Speaker, I beg to move. *[Applause.]*

Mr Speaker: Are there any clarifications? Assoc Prof Jamus Lim.

9.47 pm

Assoc Prof Jamus Jerome Lim: Thank you, Mr Speaker. I just have two quick clarifications for the Minister. I am wondering if the Chief Valuer – and I appreciate that this is an independent office – is provided guidance by the Government that land designated for public housing should embed stronger public considerations; just like how land for other kinds of public priorities may differ from commercial uses? Would the Government then accept this valuation as acceptable for channelling into reserves and that this would not then constitute a raid on reserves that would require Presidential approval.

My second clarification builds on this. And if the answer is indeed yes, and I will wait for the response, but what then would be the constraints behind the Government providing such guidance to the Chief Valuer? Because it surely already provides some form of guidance for different classes of land. And just for clarification, in my speech, I had mentioned that \$1 pricing for land for road but that was actually for the Land Betterment Charge and not in the context of what I am suggesting public housing land be priced that.

Mr Desmond Lee: Sir, I replied to Mr Gerald Giam in a Parliamentary Question recently, in a supplementary question that the Chief Valuer is an independent office, and there are provisions in the Constitution to ensure that. But he or she will apply the valuation principles that are accepted and value land on the basis of its use. Public housing land is zoned for public housing and I think the Chief Valuer would be in command of the necessary information to understand what public housing is about. We can share information with him or her, and it is available publicly.

But to say that we should – I do not know whether the Member is asking us to – persuade the Chief Valuer to accept his method of valuation as something that is acceptable, I think the profession as a whole would not accept the Member's strategy of valuation. But it is always open for Workers' Party to make representations to the relevant departments to advance reasons why the Workers' Party's method of valuation is professionally acceptable. There are institutions and associations that are professional valuers and the Chief Valuer himself or herself is a professional.

Mr Speaker: Mr Louis Chua.

Mr Chua Kheng Wee Louis: Thank you, Mr Speaker. Firstly, just to respond to Minister's reference to the working paper that we had and then subsequently a clarification for Minister. I think at that point in time, as Minister quoted, we did base our assumptions on an average household size of 3.3. And today, based on the latest data, it is 3.1. And I also note that Minister has said to Member of Parliament Mr Leong Mun Wai in a Parliamentary Question response that the Government does expect in the near future for housing demand to be robust due to strong household formation and societal trends towards smaller households.

So, knowing now that effects and circumstances of housing demand has changed and demand will remain robust, I think the question then is do we decide that we need supply or not.

And I think it is also important to point out that the context of this paragraph was really in the context of urban renewal and in the subsequent paragraph, Minister would also see that we clearly stated that the BTO projects should continue, just that it would be supplemented by supply from flats that are acquired under the USB. So, in the context of supply of public housing, that would be from the BTO projects as one source and also from the USB as another source. So, that is the clarification.

And I think, separately, in terms of the new move to have 2,000 to 3,000 per year of Shorter Waiting Time flats by 2025. I just wanted to check – in the response to my Parliamentary Question in January, the Minister did say that over the last couple of years that there are already 2,000 to 3,000 Shorter Waiting Time flats within the BTO launches. So, just to double-check, is this consistent in that it will still be 2,000 to 3,000 in the next two years to 2025, or is Minister saying that it will be 4,000 to 6,000 – 2,000 to 3,000 plus 2,000 to 3,000?

Mr Desmond Lee: I thank the Member for his clarification. On his first point, I hope the Member understands where we are coming from and that we meant well when I said what I said earlier. We acknowledged that there is a high demand today. It is clear from the high BTO application rates across the board, but especially in mature estates and choice locations, that there is high demand. There is broad-based demand but there is also market psychology at work and COVID-19 had a lot to do with that. We and my colleagues and the construction industry are working very hard to make the land available, to take over land to develop public housing, to do the land preparation, to do the work expeditiously but safely and productively.

And it was quite clear from the data that before COVID-19 struck, we were building higher than what Workers' Party had proposed and the application rates were low and the resale prices were soft. To say both to PSP and the Workers' Party that, "Oh, before COVID-19, you all should have anticipated, you should have done this and done that", I think reeks of applying perfect hindsight. I do not think it is fair to my colleagues. I just hope you understand why.

And then knowing full well what you had proposed in 2019, to come to this House and then before in COS and Parliamentary Questions repeatedly to make the allegations against my colleagues in the different departments that we did not plan ahead, I decided today I think better set the record straight because the Workers' Party did not disclose that when you did this report, the Workers' Party had asked for a reduction in BTO supply to almost half of what we put up, based on your assumptions.

But we accept today that there is demand, we have to build, we have to prioritise better, we have to reduce the 40% of BTO applicants who do not select flats and there are things that we have to do to fix today and to make things sustainable for tomorrow.

On your question about Shorter Waiting Time flats, we aim to reach levels that we had prior to COVID-19 of between 2,000 and 3,000 a year, from 2024 onwards, by 2025. *[Please refer to the clarification later on in the same debate, Official Report, 7 February 2023, Vol 95, Issue No 82.]*

But as I said in my opening speech and just now, we want to re-calibrate so that a larger proportion of our overall supply of new flats has waiting times of two years plus, or below three years. That provides more choice, together with BTO flats that we build more productively. And I think 2.5 years or three years before COVID-19, the waiting times were certainly less than the waiting times today.

If you look at the new projects that we build for Singaporeans, the quality of the buildings, the height of the flats, the amenities that we build, the services that we provide, the design of the buildings, I think you would accept that they are quite a different class of public housing than what you cited in the 1980s and 1990s.

A lot of that accounts for why it does take time despite productivity measures. The sites we are building in are complicated sites and some of them are more challenging to build. Some private developers will probably not touch those sites. But we go in for it, we know we want this site for public housing and we go for it. So, we will re-calibrate our supply but overall, there will be a flat mix for Singaporeans.

Mr Speaker: Mr Leong Mun Wai.

9.56 pm

Mr Leong Mun Wai (Non-Constituency Member): Mr Speaker, Sir, I thank the Ministers, Senior Minister of State, Minister of State and Members for making so many contributions which have enabled us to have a lively debate on public housing.

I have certainly learned a lot from this debate because the rebuttal points have been specific and substantial. While we may differ in our policy ideas and recommendations, all of us in this House share a common objective of keeping public housing affordable and accessible for Singaporeans.

I also agree with Ms Janet Ang that we are here to unite and not divide but that is provided the Government does not treat every alternative ideas as a source of division.

I will now give specific responses to the questions and rebuttals. I will demonstrate to Mr Murali Pillai and all of you that what PSP has proposed are feasible aspirations based on pain and choice. This is because our policies will benefit most Singaporeans but there will be some slight negative effect on some as well, like those who have committed to high-priced resale flats in anticipation of future profits. This is no different from some of the other policy proposals made by PAP Members.

I thank Mr Sitoh Yih Pin for pointing out the example of the Japanese property market which, indeed, is one of the reasons why I have tabled this Motion.

I spent a total of 12 years, first studying and later working in Japan. So, I have a fairly good understanding of what the overuse of property as an economic management tool had done to that country. However, the lesson I have learned was opposite to what Mr Sitoh has tried to convey.

The Japanese property market downfall was not due to just a change in policies. It was caused by property being used as a tool to prop up the economy for too long until it is no longer sustainable.

The property market cannot rise forever at a fast pace. In the long term, any country's population will eventually peak and decline and there will be fewer buyers than sellers. Continued economic growth will then depend on raising productivity and competitiveness.

However, the more important property investment and speculation become in an economy, the more likely that economy will become less competitive because property speculation and rent seeking are easier and better alternatives to innovation and entrepreneurship.

In Japan, for example, I have seen how the average Japanese has been bogged down by their mortgages, some of which straddle two generations. It is from that angle that I got worried when I look at the situation in Singapore today – high property prices but a dearth of innovation and creativity. What we need is more innovation and entrepreneurial spirit to continue competing effectively with the rest of the world in the Information Age.

A home is a place for a Singaporean to share comfort and love, not a chain that ties him down with a mortgage that needs to be serviced for the larger part of his life. He should spend his life innovating, creating and fulfilling his potential. Singaporeans can become knowledge workers only if they are liberated from the bondage of mortgages and high property prices.

The only saving grace is that our property market is still rising partly because of population growth through immigration. If we do not want to be left with no choice, however, except accepting a continuous fast pace of immigration, we will have to seriously consider a reset at this stage when the foreigners, especially the Chinese, are still eager to put their money in our property market.

So, I think this is a brilliant opportunity, while our market is very bullish, for us to reset the policies.

I think, for years, policy-makers and policy analysts have debated – maybe we should change our public housing policies, but we are at such a high price already, how do we do it? I think that has been bothering a lot of people. But I think this is a brilliant opportunity.

Fortunately, unlike Japan, we can use our public housing sector as a buffer. We can continue to allow foreigners and well-off Singaporeans to invest in our private property market at higher prices but we must maintain an affordable and accessible public housing market so that our young Singaporeans can have the financial security to be enterprising risk takers and build Singapore into a competitive information economy.

While the Government thinks it is doing its best, I think there are substantial reasons to think that there needs to be a reset because the current system is not delivering all the outcomes that we desire.

For example, young couples are not forming families as fast as we want, CPF savings are being depleted and going forward, there is no sign that this will slow down because as BTO prices escalate, the amount of CPF savings required to pay for the mortgage will be bigger and bigger. Our CPF contributions are capped but housing prices are not capped.

Also, the lease decay problem is worsening. If we do not change the way we price the HDB flats, the lease decay problem will be a problem of every generation.

These are some of the problems that accompany the current housing policies. I think we need to address them. I do not think in the debate and even what the Minister said just now have fully addressed them.

The Minister had concentrated on doing more of the same, sorting out the current tight demand-supply situation, but what is required is a fundamental change in the thinking of what should be the best public housing policies going forward.

As a result, PSP has proposed the Affordable Homes Scheme and the Millennial Apartments Scheme as key proposals for the policy reset. I must say again that the Affordable Homes Scheme and the Millennial Apartments Scheme, we had them in mind right from the beginning. I did not shift my ideas from taking out of land cost and now add that land cost as a deferred land cost. I must again repeat that point.

So, what are the advantages of the Affordable Homes Scheme? The most important objective of this scheme is to stop the depletion of the CPF savings of Singaporeans from buying HDB flats. What we are aiming for is to delink the CPF account from the HDB flat.

Mr Murali Pillai argued that only the Ordinary Account savings can be used for housing. There is still the Special Account savings. But how many Singaporeans can meet even the basic retirement sum with just their Special Account savings and without having to sell their flat?

Under the current system, retirement adequacy will only deteriorate further as CPF contributions are capped and remained the same level for many years while HDB prices continue to rise.

Senior Minister of State Sim Ann shared just now that maybe the retirement situation in terms of the CPF saving balances are better than what we have gathered. But nevertheless, as BTO prices continue to go up, CPF contributions will continue to be depleted.

One thing I want to highlight is that Senior Minister of State Sim Ann had defined the CPF account now as being one that would cater for both buying the HDB flat and for retirement. That is something new to me. The CPF account has been pulled into financing the HDB flat from 1968. The original definition or the original intention of the CPF account is for retirement. I hope the Government will clarify on that later.

We want a situation whereby Singaporeans do not have to depend on resale prices for their retirement.

Many Members have pointed out that resale prices go up and down. This proves my point – that retirement adequacy needs to be delinked from housing prices because resale prices go up and down.

Is our current system fair to the elderly Singaporeans who may be forced to retire during a recession but have not enough money in their CPF and may therefore have to sell their flat at a lower price point? Not everyone can control when they retire or when they must monetise their flat for retirement. This is a real problem and I hope Members on the other side of the House will consider when they are voting for the two Motions.

At the same time, the Affordable Homes Scheme increases owner-occupation intent without having to tighten current rules on the Minimum Occupation Period, which Ms Denise Phua has suggested. Application for BTOs in popular areas will increase and upper middle-income Singaporeans may be unhappy but that is the cost we have to pay to reduce social inequality.

Mr Sitoh Yih Pin, Mr Xie Yao Quan and Mr Vikram Nair are concerned that the PSP's proposal will cause a collapse in resale prices.

In fact, a collapse is actually counterintuitive because in the long term, the supply of resale flats will be reduced as new sellers will not sell their flats unless the price is high enough for them to earn a profit after paying for the deferred land cost. Furthermore, there will also be support for the resale market from the backlog of housing demand.

In addition, a large pool of buyers who are ineligible for BTO flats, buyers who want to live in a specific location because they want to live near their parents, Permanent Residents and buyers who want to upgrade to a larger flat form a large pool of demand that will underpin the resale market.

Most importantly, we must bear in mind that in Singapore, the resale market HDB market is still much lower than the private property market, so there is a demand there.

But I believe that the Affordable Homes Scheme is also aiming at engineering a soft landing of the current surging resale market. That will be healthy after recent market exuberance. We want a buoyant resale market, not an exuberant one.

At the same time, to complement that strategy with a Millennial Apartments Scheme, which can increase the number of housing units in the same prime location housing site by building smaller units for rental. These quality rental apartments will absorb demand while people are waiting for their new flats.

I think the Millennial Apartments Scheme is a much better policy solution than the PLH scheme in terms of providing choice to young Singaporeans, reducing the profit motive in speculating in HDB flats in mature estates and thus moderating social inequality.

The current BTO system, which feeds on the resale market and vice versa, does not make the overall housing market accessible to young Singaporeans. I think we all agree that this is detrimental to our total fertility rate. The current system cannot provide a large enough price difference between BTO flats and resale flats to restrain the resale market.

But the Affordable Homes Scheme, which is based on the clean concept of taking out the land cost for the owner-occupier, can do this and make the overall housing market more accessible to young Singaporeans.

Next, I want to address some of the questions raised by Mr Lim Biow Chuan and Mr Henry Kwek on the Affordable Homes Scheme. There are two main areas that they have raised.

One is, will the scheme actually increase the holding cost of the buyers? I call that a breakeven price, meaning the land cost is determined today, you add on the interest payment and what would be the price going forward when the buyer wants to sell the flat in the market. The idea is that, this breakeven price should not be much higher than the current price for the current HDB owners. Of course, there is an accrued interest involved but we can actually adjust the number of years for accruing the interest.

So, this is something that we can still subject to more research, but as a starting point, we can say that the accrued interest will accrue for 25 years. That is the normal term of a loan. First, I propose an idea, but based on the experience that we have in the public housing market, if it is a good idea, then based on the experience accumulated by HDB, we can decide on how much we want to accrue that interest going forward. This is one thing.

The second thing is, there is a question about what happens if the flat is given to a beneficiary? Does the beneficiary need to pay the accumulated interest on the land cost? The answer is that the beneficiary can live in the flat as long as they are just an occupier. But they can also sell the flat. When they sell the flat, then the same rules apply. They have to return the land cost with the accrued interest to the past reserves. But if they cannot sell the flat in the market, then they sell the flat back to HDB, based on a formula which I have explained to Ms Carrie Tan just now. It is based on the user price, minus the location premium and some depreciation.

Again, we can decide on how much depreciation we want to put into the price later.

So, I have addressed the resale market, I have also addressed some of the questions raised by the Members. Next, I will address the impact, or the perceived impact, on the reserves.

Given the advantages of the Affordable Homes Scheme and the Millennial Apartments Scheme, their implementation will require the Government to change its mindset regarding accounting for land reserves. I beg to disagree with Mr Cheng Hsing Yao and Mr Sitoh Yih Pin, that we must necessarily charge a price, because land is a scarce resource. PSP believes the land cost should not be charged for owner-occupied HDB flats because it is a public good, with all the social benefits that can be shared by society.

Our proposals are still fair to future generations, because not all the land cost will be lost. We are also giving the present generation a leg-up to do better, which is the best inheritance which we can pass on to our future generations. In fact, Affordable Homes Scheme will make it fairer for future generations who can enjoy HDB flats at the user price, rather than the higher BTO price in the future. This is the most consistent and fair treatment for every Singaporean in each generation.

Whether it is a draw on reserves, actually we all know that it depends on the definition of use. If the use is to serve a very useful purpose, then we should not hesitate to redefine the use – if public housing land is state land, we can redefine it. If public housing land is defined as state land, then there is no question about the use of reserves.

But there will be a cost.

Still, this cost can be managed under our budget resources and there is no need to actually use the reserves.

Ms Denise Phua asked about the fiscal implications of our policies. The total land cost paid by HDB is only about \$3 billion a year. Under our scheme, most of it will not be permanently lost, first of all, and can be recovered with interest from the deferred land cost. But even if we need to fund the whole sum, we will have more than sufficient fiscal resources required for the implementation of the reset. We only need the Government to do more for Singaporeans, because we actually have the resources.

The Government has been saving repeatedly, again and again, in many ways, just to take the resources and put it back into the reserves. First of all, reserve accumulation, that is something that you cannot spend unless the President approves it.

Second, the Government said, put 50% of the net investment return into reserves. You can only use 50%, that 50% becomes the net investment return contribution (NIRC), which goes to the Budget.

Yet again, I do not know whether Members noticed, 80% of our NIRC was never used, maybe except during the COVID-19 years, in the current year. For most of the years, NIRC was re-parked into endowment and trust funds. So, this is the money, 50% of the net investment returns that is supposed to be used for the budget. We will assume that it should be used for the current year for the benefit of Singaporeans, but the Minister for Finance put that under endowment and trust funds again. So, the funds, again, are not used in the current year.

For example, in 2019, \$13,570,000,000, or 80% of NIRC was ploughed back into the funds. Hence, if we can use part of that money, the \$3 billion that we are talking about to execute the public housing reset, represents a very small fraction of NIRC allocated to the Budget each year.

So, we can see that we do not need to use any additional reserves at all, we only need to deploy our current resources where and when they are needed.

With the above, I hope I have addressed most of the Members' questions, but of course, questions are welcomed afterwards. Next, I will conclude today's debate, although the conclusion will take some time. *[Laughter.]*

Mr Speaker: Members, do know that you are not obliged to ask clarifications if you do not want to.

Mr Leong Mun Wai: The asset enhancement policy, which started in the 1990s, may have reached its limit as the price of any asset cannot rise forever, especially one with a lease decay problem. The Government's appreciating asset narrative for the HDB flats has become untenable, as more than 50% of the HDB flats will be over 50 years old by 2030.

It is also counter intuitive to believe that a system that relies on rising HDB prices can actually deliver affordability.

The ecosystem developed to sustain the asset enhancement policy, like the BTO supply and pricing systems, as well as the link between CPF retirement funds and housing prices must be reviewed and changed accordingly.

We have explained why Affordable Homes Scheme and the Millennial Apartments Scheme are the way to achieve a reset of the public housing policy. When PSP advocates that the land cost be taken out of the pricing of owner-occupied HDB flats, so that every Singaporean in each generation can have access to affordable housing, we also believe that this is in keeping with the spirit with which our Pioneer Generation sacrificed their land for national development. A spirit, which the Government might have forgotten from the 1990s onward.

The Pioneer Generation have responded to the call for national development and sacrificed much when they gave up their land. These are not just the big landlords and capitalists, but also ordinary Singaporeans, including farmers who were resettled from rural areas, such as Chua Chu Kang, Lim Chu Kang and Punggol, and indigenous Malay fishermen who were resettled from the Southern Islands. They surrendered their lands to the Government, in the hope that it will be used to improve the lives of Singaporeans, not for the Government to accumulate reserves for the sake of accumulating, with no clear and transparent definition as to what constitutes "a rainy day", when we can use the reserves for the benefit of Singaporeans.

In the run-up to this debate, some descendants of the Pioneer Generation who had given up their land came to see me and asked me to fight for affordable homes for their children. Is it not a great irony that a family that had earlier given up its land for a pittance, thus sacrificing housing for his descendants, is now seeing his descendants pay half a million dollars each for a 90 square metre BTO flat?

Thus, PSP believes that it is the Government's duty to live up to the hopes and expectations of the Pioneer Generation and repay them by ensuring their descendants continue to have affordable homes. Mr Speaker, in Mandarin, please.

(In Mandarin): [Please refer to [Vernacular Speech](#).] Dear Fellow Singaporeans, I believe many Singaporeans, like me, still remember how Pioneer Generation Singaporeans were forced to sacrifice their land under the Land Acquisition Act in the 1970s and 1980s. Among them, there were big landlords and capitalists, but also many more ordinary Singaporeans including pig farmers in Punggol, villagers in Charn Mao Hern and Koo Chye Sheng, as well as fishermen in Tuas fishing Village.

Most of our forefathers willingly gave up their land to the People's Action Party (PAP) Government. They knew that they sacrificed their land and their way of life for the country's development and the interests of the majority. They believed that the Government would make good use of their land to provide affordable and quality housing for their children and grandchildren and build a better future for Singaporeans.

But today, the public housing policy has imposed a heavy burden on the people of all generations. Although the land of the Pioneer Generation was acquired by the Government at a low price, their children and grandchildren could not benefit directly from it as HDB has to buy land at market prices to build HDB flats.

While BTO prices are not pegged to market prices, rising land cost will eventually push up BTO prices in the long run. In addition, the long waiting time of BTO flats has caused many young couples to choose to buy flats at high prices in the resale market. The current high property prices are not only a heavy burden to many young people, but also a shackle that keeps them from starting a family and developing their talents.

During yesterday and today's debate, PSP has proposed the Affordable Homes Scheme to reduce housing costs by exempting Singaporeans from paying land cost when buying a flat. It is only when they sell the flat that they need to return the land cost together with interests to the Government. This means that if a couple lives in the same flat from the time they get married to the end of their life, they do not have to pay the land cost.

In order to provide more housing options for young people, PSP has also introduced the Millennial Apartments Scheme, which allows young people to rent premium HDB flats in the city for a long time at a low cost. These two policies will significantly reduce the housing burden of young people, give them more space to start their own businesses and fulfil their dreams, and inject new vitality into the city.

More importantly, with reduced housing costs, young people do not have to use a large portion of their CPF savings to service their housing loans. This will break the vicious circle of "house prices must continue to rise, otherwise Singaporeans will not have the money to retire". PSP is of the view that Singaporeans should not need to sell their flat or lease for old age, and that everyone should own a flat while meeting the Basic Retirement Sum. Our country has sufficient resources to realise this vision. This dream can be translated into reality by PSP's Affordable Homes Scheme.

Our Reserves will not be raided by the Affordable Homes Scheme and the Millennial Apartments Scheme. Although Singaporeans are exempted from paying land cost when buying a flat, under the Affordable Homes Scheme, they still need to return the land cost with interests to the Government when they sell the flat, so most of the land cost will be recovered sooner or later.

Moreover, the exempted land cost is only about \$3 billion to \$4 billion a year, which is a small fraction of our Net Investment Returns contributions (NIRC), as our NIRC has reached \$30 to 40 billion a year.

Our country can afford the financial expenditure of these policies. Singaporeans need not worry too much that our Reserves will be reduced. We will continue to uphold the principle of "planting trees to provide shades for future generations."

On the other hand, many senior citizens who own flats with shorter and shorter leases have another worry. Many Singaporeans use their CPF savings to service their housing loans, so they have to find ways to monetise their flat after retirement. Many people do not mind, nor do they worry about falling home prices because the Government has stressed for years that HDB flats are valuable assets and their prices will continue to rise.

However, in recent years, price increase of older HDB flats has not kept up with that of new flats as people are starting to pay attention to the issue of lease decay. This issue cannot be ignored. Hence, PSP called on the Government to announce the details of VERS as soon as possible to put an end to the lease decay issue and maintain stability in the resale market of old HDB flats.

HDB flats are one of our greatest achievements, but HDB housing policies must stay relevant to ensure that every generation of Singaporeans can benefit. Our land is a precious asset, shared among each generation of Singaporeans. PSP's Affordable Homes Scheme will be a wise and sound way to ensure that Singaporeans can benefit from our land assets for generations to come. This is also in line with, and a continuation of the spirit of land reform that the Government has been carrying out under the Land Acquisition Act for nearly half a century.

(In English): Mr Speaker, the President said at the opening of this 14th Parliament that Singaporeans are masters of their own land. But that rings hollow when a significant number of Singaporeans have difficulties owning a house.

I have spoken about this —

Mr Speaker: Mr Leong, please wrap up. You have exceeded your time.

Mr Leong Mun Wai: Okay. I have spoken about this in my maiden Parliamentary speech on 1 September 2020. I said, "it is disconcerting to have many of countrymen live outside Singapore in Johor and Batam while we are housing more than two million foreigners on our island at the same time. Surely more consideration can be given to Singaporeans who are citizens of our sovereign city state."

So, let us work together as one united people to achieve a better future for Singapore and Singaporeans. Singaporeans deserve better.

Mr Speaker: Minister Desmond Lee.

10.37 pm

Mr Desmond Lee: Mr Speaker, just three matters. First, we do not want to prolong the debate. The points made by Mr Leong on the NIRC are clearly wrong, but we will have the opportunity to debate this in the coming Budget debate. I just want to make sure that we put that on record.

Secondly, Mr Speaker, I want to make a clarification. Earlier in response to the learned Member Louis Chua, I mentioned that the Shorter Waiting Times flats of 2,000 to 3,000 will be by 2024. That is wrong. In my opening speech, I said 2025. And I want to apologise and put that on record.

Thirdly, Mr Speaker, I thought that we should settle this before we start voting on both Motions and the Workers' Party's amendment of our Motion. In deciding how to vote on each Motion, including PSP's Motion, I invite the Members of the Workers' Party or the Leader of the Opposition to spell out clearly your position or the Workers' Party's position on PSP's Motion as well as on the Affordable Homes Scheme and the Millennial Apartments Scheme.

Mr Pritam Singh: Thank you, Mr Speaker. Let me get that out of the way. I intended to put some clarifications to the Minister and also address that point which Minister requested for earlier with regard to WP's position on the Affordable Homes Scheme.

Our view is that it is an intriguing proposal. The WP, of course, has its own proposals that we have put across in the debate on this Motion, but we are not carrying PSP's proposals. Our own view is that it should be studied further. This is the same for their Millennial Apartments Scheme. On the point about our view on PSP's Motion, I believe I already covered it in my speech.

I have some clarifications for the Minister.

The first clarification I have is with regard to his point that in the course of addressing some of the pain points with housing policy today, the Forward Singapore exercise would be one platform which would be used by HDB and the Government to seek feedback from Singaporeans.

In this vein, I refer to the report of the Land Working Group of the Economic Review Committee (ERC) in 2003, which I referenced in my speech. When that report was released, industry watchers opined that the Land Working Group could not undertake a proper review of land policy because public housing was not within the committee's purview and neither was HDB or MND actually represented on the Land Working Group.

As part of the Forward Singapore exercise, would the Minister consider standing up a committee to look into the impact of growing land prices and increasing taxpayer subsidies on HDB affordability in particular?

The second query I have is with regard to the Minister's handout, specifically Annex 5. Does the Minister have a view on the reasons for the steep demand from second-timers? I understand earlier he mentioned demand was broad-based, but does the Minister believe that the creeping reality of lease decay is also a driver behind this steep rise? I think it was 140% over the time period that was identified in Annex 5.

I made some reference to the POFMA Order. I am sure the POFMA Order was drafted very carefully. Point number six of the POFMA Order I referred to, the one of 14 October, said that the Government cannot sell state land at nominal or much lower cost than its fair market value. I was inquiring in my speech whether HDB priced land with some different valuation or modelling in mind vis-a-vis public

housing because it says not at a much lower cost. So, really, what are we referring to here?

I thank the Minister for recognising my point about subsidies and equity. I think that really focuses on the questions that I have been asking and the detail that I have been seeking.

The Minister replied about and I think I have heard him more than once refer to the brochure, and he uses this word repeatedly – "broadly reflects", "broadly reflects", "broadly reflects". I understand that. Hence, my clarification and my use of Waterway Banks, which was employed by the Minister for National Development in 2013 in his Parliamentary reply, where he could identify specifically subsidies, the fixed costs, and he identified the figure without a problem. I do not believe HDB does that and I believe it can.

Yes, I think I have addressed the question that the Minister raised about WP's position on PSP's proposals.

Mr Speaker: Minister Desmond Lee.

Mr Desmond Lee: Thank you, Sir. I welcome the Leader of the Opposition's clarification that Workers' Party does not support PSP's proposals on the Affordable Homes Scheme and the Millennial Apartments Scheme. Whichever way it votes on the Motion later, I think that clarity is helpful for the record and to understand the Workers' Party's position on affordability, accessibility and the proposed reset by PSP.

On the 2003 ERC report, I do not have the report with me at this point in time. I will have to go back and view that.

I would just say this – that as part of Forward Singapore, we have already embarked on a number of conversations with people from across different walks of life and also received lots of representation by Singaporeans and organisations. In fact, there is another one going on tomorrow night where people would want to share their views about public housing.

There are many platforms for Singaporeans and well-wishers to contribute their ideas, views, data and so on.

On Annex 5, the Member is asking us to give a sense of why the demand has shot up. In the interest of not prolonging the debate, I have covered some of that in the opening speech as to the kind of dynamics and the interplay of factors which led to the spike in demand.

But I think there are, of course, other factors as well. Firstly, there is the fact that first-timers have a much larger share of the flat supply than second-timers. For second-timers, they are applying for a variety of reasons – some because they need housing, some because they see the wide gap between resale prices and BTO prices. These are all views that one can make as to what interplay of reasons led to this market psychology.

On the POFMA question, let me go back and have it properly addressed. If the Member would file a Parliamentary Question, I will have it properly checked because it is a legal matter.

And lastly, on subsidies, when I said, "broadly reflects", I wanted to be very accurate because we provide price ranges for each project. So, when you see 5-room flats in Central Weave @ AMK, they are 5-room flats on different floors, and therefore, the price before grant is different. The comparable resale prices which is put right next to the BTO prices are again in a range because you have probably a variety of resale transactions around the area. You must also adjust for comparability. Some professional work needs to be done to adjust for tenure, adjust for condition, amenities, and so on, and these are professional matters. I wanted to be accurate to say, "broadly reflects" because there are all these considerations will be taken into account. I hope that addresses the Member's questions.

Mr Speaker: Mr Leong Mun Wai.

10.46 pm

Mr Leong Mun Wai: Thank you, Mr Speaker. I am of the opinion that the point about NIRC is a very important one. So, can I request the Minister to respond to that point properly?

Mr Speaker: Leader.

Ms Indranee Rajah: Mr Speaker, Sir, it is an important point, but the statement made by the Non-Constituency Member of Parliament was incorrect. His suggestion is that the NIRC all gets swiped and packed into funds and therefore, actually, if we did not put it into funds, we would have plenty of money to do other things. The NIRC goes into the whole pool, and with the whole pool, we will distribute what we need to do or allocate according to National Budget.

The Budget debate takes three days. I really do not want to start the three-day debate right now. So, that is why as an act of kindness to all Members, we have said that we would just register that it is incorrect and we will debate it later.

Mr Speaker: Mr Leong.

Mr Leong Mun Wai: Minister, I would accept that you register that this is an outstanding issue. I do not accept that this is an inaccurate fact.

Mr Speaker: Noted. Leader.

Ms Indranee Rajah: The Member does not need to accept that it is inaccurate or not so. I am stating our position that it is inaccurate. He is free to debate that if he wishes, but that should be done on another occasion.

Whilst I am here, Mr Speaker, may I seek a further clarification from the Leader of the Opposition.

Mr Speaker: Please do.

Ms Indranee Rajah: Earlier on, Minister Desmond Lee had asked the Leader of the Opposition to clarify the Workers' Party's position on the Progress Singapore Party's Motion. I think he asked about the position that Workers' Party has on the Affordable Homes Scheme. The leader of the Opposition said, if I understood him correctly, that it is an intriguing proposal that needs further study. That does not actually quite answer the question, but let me put the question more clearly.

One, there is the Motion. The Motion by the Progress Singapore Party says that this House calls on the Government to review its public housing policies in order to deliver affordable and accessible HDB flats for Singaporeans and so on.

So, I think the first clarification is: is it the Workers' Party position that it can support that Motion. But the second part is the whole of that Motion is actually premised on the Affordable Homes Scheme and the Millennial Rental Scheme. So, it seems to me, and the Progress Singapore Party may disagree, that because that Motion is premised on these schemes, actually, if you are voting in favour of the Motion, you would also be voting, or you must necessarily agree with those schemes. However, if what the Workers' Party is saying is that it can vote in favour of the Motion, but not necessarily in favour of the two schemes, then I would be grateful if the Leader of the Opposition could clarify that.

Mr Speaker: Mr Pritam Singh.

Mr Pritam Singh: Thank you, Speaker. Yes, indeed, I thought I had made it clear in my reply. I had also made it clear in my speech what our position was on the Progress Singapore Party Motion. I think the operative word, when the People's Action Party Members spoke about the Motion was that they were reading an implication into that Motion. So, I had just stated our stand clearly that we do not read it that way. We do not see the Motion per se in an insidious fashion. We actually focus on the fact of calling for a review of policies for better outcomes. That is how we see the Progress Singapore Party's Motion, and we are going to vote in favour of the Motion. Insofar as the schemes are concerned, we see them as different from the Motion. I think the exact words I used in my clarification was, "These are not our proposals. We are not supporting them. We do feel that they should be studied further." I hope that clarifies.

Ms Indranee Rajah: I thank the Leader of the Opposition for his clarification. So, the decision, as I understand it, is that the Workers' Party will vote in favour of the Progress Singapore Party's Motion, but keeps a safe distance from the Affordable Homes Scheme and the Millennium Rental Scheme.

Mr Speaker: Mr Sitoh Yih Pin.

Mr Sitoh Yih Pin (Potong Pasir): Sir, I will take less than one minute. I just want to clarify with Mr Leong whether he is aware that Singapore's home ownership rate is 89% because I started yesterday by disagreeing with him. But the more I listened, the more I think it is scary and dangerous, and it is like a gust of Progress Singapore Party wind can blow us all off. So, just be careful.

Second, I appreciate what Mr Leong said about doing more for Singaporeans. I know we want to have more Singaporeans to get onto the property ladder; we can give them a stool to climb up; but he is not doing that; he is taking down the whole ladder. And I just want to make the comment.

Mr Speaker: Mr Leong.

Mr Leong Mun Wai: Mr Speaker, I would just like to tell the Member, whether it is taking away the ladder, or whether it is a stool that I am providing, is a matter of interpretation.

10.53 pm

Mr Speaker: Thank you. We have now, finally, come to the conclusion of the debate. I shall put the necessary questions to the House for decision.

We will first deal with the Motion by the Minister for National Development on Affordable and Accessible Public Housing. We have a substantive amendment by the Leader of the Opposition, Mr Pritam Singh.

Mr Pritam Singh's amendment is in line 4 of Minister Lee's Motion to delete the words "endorses the commitment of the Government to" and to replace them with" calls on the Government to intensify its efforts to meet".

We will deal with the amendment by Mr Pritam Singh first.

Question, "That the words proposed to be left out, be there left out", put and negatived.

Mr Speaker: The amendment falls. The Motion remains in its original form.

The question is, "That this House affirms the importance of keeping public housing affordable and accessible while protecting the interests of current and future generations of Singaporeans, and endorses the commitment of the Government to these twin goals."

Mr Speaker: As many as are of that opinion say "Aye".

Hon Members say "Aye".

Mr Speaker: To the contrary say "No".

Hon Members say "No".

Mr Speaker: I think the "Ayes" have it. Mr Murali Pillai.

Mr Murali Pillai: Mr Speaker, Sir, I wish to call for a division.

Mr Speaker: Would you like to record your dissent, or would you like to call for division?

Mr Murali Pillai: Mr Speaker, I respectfully call for a division.

Mr Speaker: Okay. Will hon Members who support the division, please rise in their places?

More than five hon Members rose.

Mr Speaker: Clerk, ring the division bells.

After two minutes –

Mr Speaker: Serjeant-at-Arms, lock the doors.

Original Motion put, "That this House affirms the importance of keeping public housing affordable and accessible while protecting the interests of current and future generations of Singaporeans and endorses the commitment of the Government to these twin goals."

Mr Speaker: Mr Murali Pillai, would you like to proceed with the division please?

Mr Murali Pillai: Yes, Mr Speaker. I would like to proceed with the division please.

Mr Speaker: Clerk, proceed with the division. Before I proceed to start the electronic voting, may I remind Members that they are to be seated at their designated seats and should only start to vote when the voting buttons on the armrest start to blink.

Members may begin to vote.

Members are advised to check that the names are registered according to their vote indication when the electronic voting results are shown on the display screens. The Clerks will now tally the votes from the electronic voting.

Division Taken: Ayes,82; Noes, 11; Abstention, 0

Ayes

Tan Chuan-Jin (Speaker)
Abdul Samad
Alex Yam Ziming
Alvin Tan
Amy Khor Lean Suan
Ang Wei Neng
Baey Yam Keng
Carrie Tan
Chee Hong Tat
Cheng Hsing Yao
Cheng Li Hui
Cheryl Chan Wei Ling
Chong Kee Hiong
Christopher de Souza
Denise Phua Lay Peng
Derrick Goh
Desmond Choo
Desmond Lee
Desmond Tan
Don Wee
Edward Chia Bing Hui
Eric Chua
Foo Mee Har
Gan Kim Yong
Gan Siow Huang
Gan Thiam Poh
Grace Fu Hai Yien
Hany Soh
Heng Chee How
Heng Swee Keat
Hoon Hian Teck
Indranee Rajah
Janet Ang
Jessica Tan Soon Neo
Joan Pereira
Josephine Teo
Koh Poh Koon
Kwek Hian Chuan Henry
Lawrence Wong
Lee Hsien Loong
Liang Eng Hwa
Lim Biow Chuan
Lim Wee Kiak
Louis Ng Kok Kwang
Low Yen Ling
Mariam Jaafar
Mark Chay
Masagos Zulkifli B M M
Melvin Yong Yik Chye
Mohamad Maliki Bin Osman
Mohd Fahmi Bin Aliman

Ayes (Con't)

Muhammad Faishal Ibrahim
Murali Pillai
Nadia Ahmad Samdin
Ng Eng Hen
Ng Ling Ling
Ong Ye Kung
Patrick Tay Teck Guan
Poh Li San
Rachel Ong
Rahayu Mahzam
Raj Joshua Thomas
Saktiandi Supaat
Seah Kian Peng
Sharael Taha
Shawn Huang Wei Zhong
Sim Ann
Sitoh Yih Pin
Sun Xueling
Tan Kiat How
Tan See Leng
Tan Wu Meng
Teo Chee Hean
Tin Pei Ling
Vikram Nair
Vivian Balakrishnan
Wan Rizal
Xie Yao Quan
Yeo Wan Ling
Yip Hon Weng
Zaqy Mohamad
Zhulkarnain Abdul Rahim

Noes

Chua Kheng Wee Louis
Dennis Tan Lip Fong
Gerald Giam Yean Song
Hazel Poa
He Ting Ru
Jamus Jerome Lim
Leon Perera
Leong Mun Wai
Muhamad Faisal Bin Abdul Manap
Pritam Singh
Sylvia Lim

Abstention

Nil

Mr Speaker: I will proceed to declare the voting results now. There are 82 "Ayes", 11 "Noes", zero "Abstentions". The "Ayes" have it.

Resolved,

"That this House affirms the importance of keeping public housing affordable and accessible while protecting the interests of current and future generations of Singaporeans and endorses the commitment of the Government to these twin goals."

Mr Speaker: We will now deal with Mr Leong's Motion on Public Housing Policies.

The question is, "That this House calls upon the Government to review its public housing policies in order to deliver affordable and accessible HDB flats to all Singaporeans, strengthen the owner-occupation intent of public housing, protect retirement adequacy and keep public housing inclusive for every Singaporean of each generation."

As many as are of that opinion say "Aye".

Hon Members say "Aye".

Mr Speaker: To the contrary say "No".

Hon Members say "No".

Mr Speaker: I think the "Noes" have it. Mr Murali Pillai, would you like to call for a division?

Mr Murali Pillai: Yes, Mr Speaker. I wish to call for a division.

Mr Speaker: Would you like to record your dissent instead or still call for a division?

Mr Murali Pillai: Mr Speaker, I respectfully call for a division.

Mr Speaker: Will hon Members who support the division, please rise in place?

More than five hon Members rose.

Mr Speaker: Clerk, please ring the Division bells.

After two minutes –

Mr Speaker: Serjeant-at-Arms, lock the doors.

Question put, "That this House calls upon the Government to review its public housing policies in order to deliver affordable and accessible HDB flats to all Singaporeans, strengthen the owner-occupation intent of public housing, protect retirement adequacy and keep public housing inclusive for every Singaporean of each generation."

Mr Speaker: Mr Murali Pillai, you claimed a division. Would you like to proceed with the division?

Mr Murali Pillai: Yes, Mr Speaker. I would like to proceed with the division, please.

Mr Speaker: Clerk, proceed with the division.

Before I proceed to start the electronic voting, may I remind Members that they are to be seated at their designated seats and should only start to vote when the voting buttons on the armrest start to blink.

Members are advised to check that the names are registered according to their vote indication when the electronic voting results are shown on the display screens.

Before I proceed to declare the results of the vote, are there any Members who wish to claim that his or her vote has not been recorded correctly? That would be me. My vote should be "No".

Division Taken: Ayes, 11; Noes, 82; Abstention, 0

Ayes

Chua Kheng Wee Louis
Dennis Tan Lip Fong
Gerald Giam Yean Song
Hazel Poa
He Ting Ru
Jamus Jerome Lim
Leon Perera
Leong Mun Wai
Muhamad Faisal Bin Abdul Manap
Pritam Singh
Sylvia Lim

Noes

Tan Chuan-Jin (Speaker)
Abdul Samad
Alex Yam Ziming
Alvin Tan
Amy Khor Lean Suan
Ang Wei Neng
Baey Yam Keng
Carrie Tan
Chee Hong Tat
Cheng Hsing Yao
Cheng Li Hui
Cheryl Chan Wei Ling
Chong Kee Hiong
Christopher de Souza
Denise Phua Lay Peng
Derrick Goh
Desmond Choo
Desmond Lee
Desmond Tan
Don Wee
Edward Chia Bing Hui
Eric Chua
Foo Mee Har
Gan Kim Yong
Gan Siow Huang
Gan Thiam Poh
Grace Fu Hai Yien
Hany Soh
Heng Chee How
Heng Swee Keat
Hoon Hian Teck
Indranee Rajah
Janet Ang

Noes (Con't)

Koh Poh Koon
Kwek Hian Chuan Henry
Lawrence Wong
Lee Hsien Loong
Liang Eng Hwa
Lim Biow Chuan
Lim Wee Kiak
Louis Ng Kok Kwang
Low Yen Ling
Mariam Jaafar
Mark Chay
Masagos Zulkifli B M M
Melvin Yong Yik Chye
Mohamad Maliki Bin Osman
Mohd Fahmi Bin Aliman
Muhammad Faishal Ibrahim
Murali Pillai
Nadia Ahmad Samdin
Ng Eng Hen
Ng Ling Ling
Ong Ye Kung
Patrick Tay Teck Guan
Poh Li San
Rachel Ong
Rahayu Mahzam
Raj Joshua Thomas
Saktiandi Supaat
Seah Kian Peng
Sharael Taha
Shawn Huang Wei Zhong
Sim Ann
Sitoh Yih Pin
Sun Xueling
Tan Kiat How
Tan See Leng
Tan Wu Meng
Teo Chee Hean
Tin Pei Ling
Vikram Nair
Vivian Balakrishnan
Wan Rizal
Xie Yao Quan
Yeo Wan Ling
Yip Hon Weng
Zaqy Mohamad
Zhulkarnain Abdul Rahim

Jessica Tan Soon Neo
Joan Pereira
Josephine Teo

Abstention

Nil

Mr Speaker: I will proceed to declare the voting results now. There are 11 "Ayes", "82 Noes" and zero "Abstentions". The "Noes" have it.

Motion,

"That this House calls upon the Government to review its public housing policies in order to deliver affordable and accessible HDB flats to all Singaporeans, strengthen the owner-occupation intent of public housing, protect retirement adequacy and keep public housing inclusive for every Singaporean of each generation" negatived.

ADJOURNMENT

Resolved, "That Parliament do now adjourn to a date to be fixed." – [Mr Zaqy Mohamad]

Adjourned accordingly at 11.08 pm.

WRITTEN ANSWERS TO QUESTIONS FOR ORAL ANSWER NOT ANSWERED BY END OF QUESTION TIME PROTOCOLS FOR HDB CONTRACTORS ON REPAIR OF PREMATURE DETERIORATION OF EXTERNAL FACADES OF HDB BLOCKS

21 **Assoc Prof Jamus Jerome Lim** asked the Minister for National Development whether HDB specifies any protocol for construction contractors, such as investigating the source of the problem or taking samples of the paint to audit quality, if there is premature degradation or deterioration of external facades in HDB blocks, prior to its first repair and redecoration cycle, beyond the activation of warranty for defects.

Mr Desmond Lee: All BTO projects are provided with a Defects Liability Period (DLP) of 12 months, generally starting from the substantial completion of a project. During this period, the contractors are required to rectify any internal and external defects reported.

Under HDB's building contracts, contractors and their suppliers or specialists are further required to provide warranties covering certain items or products that typically last for at least a year. For example, HDB stipulates a six-year warranty for external paintwork.

After a new development is handed over to the Town Council for management and maintenance, the Town Council can activate the warranty if there are defects or imperfections found on the completed works during the DLP or warranty period. The building contractor or specialist contractor will then be required to rectify them. The Town Council may seek advice from HDB as well as obtain the assessment of a specialist when investigating the affected building(s) to recommend optimal rectification methods.

HDB may further investigate any feedback received and take samples of materials like paint for quality checks and tests, as required.

INCENTIVISING CPF MEMBERS WITH HIGH ORDINARY ACCOUNT SAVINGS TAP ON INVESTMENT OPTIONS WITH HIGHER INTEREST RATES

22 **Mr Yip Hon Weng** asked the Minister for Manpower (a) whether the Ministry intends to incentivise CPF members who have high Ordinary Account (OA) savings and have no plan to use their OA savings for a housing purchase, to tap on alternative options for higher interest rates such as the CPF Investment Scheme; and (b) if so, how does the Ministry intend to promote these options and make them easier for CPF members to invest in.

Dr Tan See Leng: CPF members who have high Ordinary Account (OA) savings and have no plans to use their OA savings for a housing purchase have a range of options to grow their CPF savings for retirement, depending on their individual needs and risk appetite.

These members can consider transferring their savings from the OA to the Special or Retirement Account (RA) to earn higher risk-free interest of up to 6% per annum. Members can transfer up to the prevailing Full Retirement Sum in their Special Account if they are below 55 years old, and up to the prevailing Enhanced Retirement Sum in their RA if they are aged 55 and above. They can do so easily through the CPF mobile app or the CPF Board website.

Members can also invest their OA savings through the CPF Investment Scheme (CPFIS). Under CPFIS, members have access to a range of investment products of varying risk profiles. For example, with rising interest rates, more members have invested their CPF OA savings in short-term Singapore Government Securities (SGS) products like the Treasury Bills through CPFIS. CPF Board has been working closely with financial institutions to allow members the option to submit applications online. CPFIS members with DBS as their agent bank have been able to apply online via internet banking to invest their CPF OA savings in SGS products since late January 2023, while OCBC and UOB are targeting to launch similar services by the first quarter of 2023.

Nonetheless, as with all investments, members participating in CPFIS may be better or worse off, depending on the timing and selection of investments. Based on the latest data, while the majority of CPFIS-OA members made cumulative profits or broke even in the reporting period of FY2021, about 20% made cumulative total losses. The CPFIS Self-Awareness Questionnaire introduced in 2018 will continue to help prospective CPFIS participants to assess if CPFIS is suitable for them.

GRANT, TRANSFER AND CAPITAL INJECTION FLOWS INTO AND OUT OF MOH HOLDINGS

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23 **Mr Leong Mun Wai** asked the Minister for Health (a) what role does MOH Holdings Pte Ltd (MOHH) play in the healthcare system; (b) how does the Ministry account for grants, transfers and capital injections to and from MOHH; (c) why are the financial reports of MOHH not submitted to Parliament; and (d) what are the assets, revenues, costs and accumulated profits or losses of MOHH in the last five financial years.

Mr Ong Ye Kung: Our public healthcare institutions, including the three key clusters of SingHealth, National Health Group and National University Hospital, are structured as companies for autonomy and flexibility in operations. MOH Holdings Pte Ltd (MOHH) is the 100%-Government owned holding company for these public healthcare institutions.

In addition, MOHH supports the public healthcare institutions through key functions such as IT services, infrastructure development, service integration and manpower and leadership development, and internal audit. To do so, it also held companies such as Integrated Health Information Systems and Agency for Integrated Care that provide services to the public health institutions.

MOHH is not-for-profit. It recovers cost from the public institutions for the services it provides, with MOH funding the rest of its expenditure. The accounts of the public healthcare institutions it supports are published. All grants to MOHH from MOH are accounted for in the Government Financial Statements submitted to Parliament. Members of the public can obtain MOHH's full audited financial reports, as well as that of the public healthcare institutions it supports, from Accounting and Corporate Regulatory Authority.

HEALTHCARE WORKERS WITH SEVERE ADVERSE REACTIONS FROM COVID-19 VACCINATIONS

24 **Dr Tan Wu Meng** asked the Minister for Health (a) to date, how many healthcare workers (HCWs) experienced severe adverse reactions from COVID-19 vaccinations; (b) of these, how many required time away from work exceeding (i) 14 days and (ii) 30 days, respectively; (c) how many affected HCWs could not resume their previous work deployment; and (d) what support is provided to HCWs facing severe side effects of COVID-19 vaccinations received in the line of duty and employment.

Mr Ong Ye Kung: The incidence rate of serious side effect arising from COVID-19 vaccinations is about 0.007%, or seven in 100,000. Since we started COVID-19 vaccinations, the clusters have reported to the Ministry of Health (MOH) 20 instances of serious adverse events, soon after the healthcare workers received their vaccinations.

I should emphasise that these are reported serious adverse events, where the causal link to vaccinations have yet to be established. Six cases resulted in between 15 and 30 days away from work, and three cases resulted in more than 30 days away from work.

For staff who are unable to resume work due to severe reactions from COVID-19 vaccinations, our public healthcare clusters have supported them by granting medical benefits, outpatient sick leave and hospitalisation leave, even working from home when practical and required. Our public healthcare clusters remain committed to support staff who experience side effects arising from COVID-19 vaccinations.

There has been one reported case of a staff from Singapore General Hospital (SGH) who was unable to resume work shortly after her COVID-19 vaccination. SGH continues to stay in touch with their former staff to provide support. MOH has also shared with the former staff on the Vaccine Injury Financial Assistance Programme (VIFAP) application process. If received, her application will be reviewed by the VIFAP independent clinical panel.

UPDATE ON POPULAR PLACES PASS SCHEME FOR MIGRANT WORKERS STAYING IN DORMITORIES

25 **Ms He Ting Ru** asked the Minister for Manpower (a) whether the Popular Places Pass scheme for migrant workers resident in dormitories is still in place; and (b) if so, whether there are plans for the scheme to be wound down and what is the expected timeline for the scheme's cessation.

Dr Tan See Leng: Migrant workers are free to exit their dormitories and generally go anywhere in Singapore. For four designated popular locations – Chinatown, Geylang Serai, Jurong East and Little India – on Sundays and Public Holidays, the Popular Places Pass serves as a contingency measure to manage crowding.

Thus far, crowd levels have been manageable and the passes available have been more than adequate. No migrant worker has been prevented from visiting these areas. The Ministry of Manpower (MOM) has also not taken enforcement action on any worker for not obtaining the pass.

Since the Vaccination-Differentiated Safe Management Measures (VDS) were lifted in October 2022, MOM has kept the Popular Places Pass effectively dormant. MOM will continue to review and ease safe management measures in line with the COVID-19 situation.

ANNUAL TAX COLLECTED ON TOBACCO PRODUCT SALES AND WHETHER THIS COVERS COST OF TREATING SMOKING-RELATED DISEASES

26 **Mr Yip Hon Weng** asked the Deputy Prime Minister and Minister for Finance (a) for the last three years, what is the average annual tax collected on tobacco product sales; and (b) whether this amount is able to cover the current average annual cost of treating smoking-related diseases.

Mr Lawrence Wong: Between FY2019 and FY2021, the Government collected about \$1.3 billion of tobacco duties per year on average.

The costs of smoking extend beyond the direct healthcare costs of smoking-related illnesses and also include indirect costs such as productivity losses for the economy.

We take these costs into account in the setting of tobacco tax rates. Our aim is not so much to raise sufficient revenue to cover the costs of smoking, but to have an effective system of taxation that will reduce tobacco consumption and its accompanying negative effects. Taxes are also part of a broader multi-pronged approach to reduce the prevalence of tobacco use in Singapore, including through measures like public education, provision of smoking cessation support services, as well as the control of tobacco advertising and sales of cigarettes to minors.

The Government regularly reviews the tobacco tax rate, including reviewing trends in smoking prevalence, to ensure its continued effectiveness in discouraging tobacco consumption.

FINANCIAL IMPACT FROM ONGOING ADMINISTRATION OF SUN CABLE

27 **Ms He Ting Ru** asked the Minister for Trade and Industry in respect of the ongoing administration of Sun Cable (a) whether Singapore is projected to suffer any financial impact; (b) how does this impact the Request for Quotation process under EMA; and (c) what is the assessed impact to our plans of maintaining our energy supply reliability.

Mr Gan Kim Yong: I thank Ms He Ting Ru for her question. I have addressed them in my combined reply to Question Nos 44, 45 and 46 on the Order Paper for 6 February 2023. [*Please refer to "Impact of Collapse of Sun Cable Project on Singapore's Renewable Energy Targets", Official Report, 6 February 2023, Vol 95, Issue 81, Written Answers to Questions for Oral Answer not Answered by End of Question Time section.*]

PUBLICATION OF AUDIT FINDINGS INTO SPH MEDIA TRUST'S INFLATED CIRCULATION NUMBERS

28 **Ms Hazel Poa** asked the Minister for Communications and Information whether an external investigation on the fraud involving SPH Media Trust's circulation figures will be conducted and the report made public.

29 **Ms Hazel Poa** asked the Minister for Communications and Information whether the Ministry will share with the public SPH Media Trust's review of the overstated circulation data, including accounts provided by the executives involved in the case.

30 **Ms Hazel Poa** asked the Minister for Communications and Information whether the Ministry has been informed of the reasons for SPH Media Trust not breaking the news on the overstated circulation numbers of their own accord but through media queries.

Mrs Josephine Teo: These questions have been addressed in my reply to Question Nos 2 to 18 for oral answer on the Order Paper for 6 February 2023 and to subsequent clarifications sought by Members. [*Please refer to "Government's Response to SPH Media Trust's Inflated Circulation Numbers", Official Report, 6 February 2023, Vol 95, Issue 81, Oral Answers to Questions section.*]

In essence, the findings of circulation discrepancy for the period of SPH Media Trust (SMT)'s internal review from September 2020 to March 2022 have not resulted in the loss of public funds. There is no change to the Government's decision to provide funding to support SMT's capability development. There is also no change to the amount of funding as it is targeted towards technology development, talent development and the strengthening of newsrooms, particularly vernacular newsrooms.

I had also explained that certain questions would be better addressed by SMT after its Audit and Risk Committee has completed its further investigations and shared its findings. If there is evidence of fraud or other wrongdoing, SMT is obliged to do the right and lawful thing to refer to a relevant agency for follow-up.

SMT's approach to communications both within and outside the organisation, is a matter for its board and management to consider. Even so, MCI has made clear its expectations that SMT has a responsibility to uphold public trust. It must rectify what needs to be rectified, and be transparent with the public on how it intends to proceed.

MONTHLY HOUSEHOLD INCOME AS CONSIDERATION FOR HDB RENTAL LEVELS FOR THOSE ON PARENTHOOD PROVISIONAL HOUSING SCHEME

31 **Mr Murali Pillai** asked the Minister for National Development apart from location and flat type, whether the monthly household income of families may also be factored into the setting of rental rates of HDB flats for families under the Parenthood Provisional Housing Scheme.

Mr Desmond Lee: The rental rates under the Parenthood Provisional Housing Scheme (PPHS) are set taking into consideration the monthly household incomes of eligible families and are highly subsidised to ensure that they are affordable for these families. For example, the rents for 3-room flats, which form the bulk of the PPHS flat supply, range from \$600 to \$900, about 65% to 80% lower than market rents in the same towns.

HDB offers a range of flat types across PPHS application exercises, depending on the vacancies available at the time. Applicants can check the flat types offered and the rental rates on HDB's website before applying and apply for flats that they can afford.

Families also have the option of co-sharing a PPHS flat with another eligible family, if they want to lower their rental expenses. Lower-income households who are waiting for their new flat to be completed and have no other temporary housing options can approach HDB for assistance. HDB may offer them Interim Rental Housing, which has lower rents, on a case-by-case basis.

ADJUSTING BTO FLAT BALLOTING CHANCES TO ENSURE GOOD MIX OF APPLICANTS IN EACH ESTATE

32 **Mr Zhulkarnain Abdul Rahim** asked the Minister for National Development for young couples applying for HDB BTO flats, besides additional ballot chances or further increased grants or subsidies under the various qualifying schemes, whether HDB can consider amending the BTO balloting process into different stages or phases for each archetype of applicants according to priority, such as young couples, families with children and elderly to ensure a good mix of applicant types in each estate.

Mr Desmond Lee: The Housing and Development Board (HDB) offers Build-To-Order (BTO) flats to meet the housing needs of diverse buyer groups, including first-timer (FT) and second-timer (ST) families, seniors and singles.

We provide priority in flat allocation to applicants with greater housing needs, so that they have better chances of securing a flat. For instance, most of HDB's BTO flat supply has been set aside for FT family applicants to support Singaporeans' marriage and parenthood aspirations. This is on top of the additional ballot chance these applicants receive, as compared to ST families.

HDB also ensures a good mix of residents demographically and socio-economically in all its housing estates by building a range of flat types — from 2-room Flexi to 5-room and 3Gen flats — on the same floor or in the same block, precinct or neighbourhood. Public rental flats are also integrated with sold flats in the same block or precinct, where feasible. This, in turn, ensures that HDB estates continue to remain inclusive and cater to applicants with different budgets and needs.

As part of the Forward Singapore exercise, many participants acknowledged that there are varying degrees of urgency in housing needs, even within the first-timer applicants. Most agree that we should prioritise first-timers who are looking to purchase their first home, especially for those with more urgent housing needs, such as first-timer couples who already have children but are without their own home, as well as lower-income families, who have fewer options in the open market.

We have gathered valuable views from the Forward Singapore exercise, which will inform our review of how to prioritise access to public housing for those with more urgent housing needs.

PROPORTION OF THEFTS IN SUPERMARKETS INVOLVING THEFT OF MILK POWDER

33 Mr Leong Mun Wai asked the Minister for Home Affairs (a) in the past five years, how many and what proportion of theft cases in supermarkets have involved the theft of milk powder; (b) how many of these shoplifters have been caught; and (c) what are the reasons for their actions.

Mr K Shanmugam: Between 2018 and 2022, there were 398 cases of theft of milk powder from supermarkets. This constituted 7% of all theft cases in supermarkets during this period. Police have identified the perpetrators for 77% of these cases.

The Police do not actively keep track of a breakdown of reasons why perpetrators commit theft of milk powder. Based on a study of recent cases between January 2022 and January 2023, the majority of perpetrators did not have children under two years old who would have needed to consume the milk powder.

Police have also encountered cases of perpetrators stealing milk powder for other reasons, including to resell for a profit.

ANTI-MOULD PAINT FOR HDB FLAT EXTERIOR WALLS FOR FLATS BUILT NEAR HUMIDITY SINKS

35 Mr Don Wee asked the Minister for National Development (a) whether anti-mould paint is a standard feature for HDB flat exteriors especially for flats built near humidity sinks, such as rivers, forested areas, reservoirs and sea fronts; (b) what rectifications are available for flats that face premature growth of mould; and (c) whether the Ministry will revise the Singapore Standard SS345 on specification for algae resistant emulsion paint for decorative purposes.

36 Assoc Prof Jamus Jerome Lim asked the Minister for National Development whether HDB has considered specifying even higher-grade weather resistant finishes, beyond the existing SS345 algae-resistant paint and SS500 elastomeric wall coatings, to account for varying project conditions, for example for seafront or riverfront housing estates.

Mr Desmond Lee: To rectify mould growth on external walls, thorough cleaning and patching of cracks are conducted, before repainting the walls with sealer and algae-resistant paint. This is usually carried out by Town Councils as part of their management and maintenance of the common property.

The external walls of all HDB developments are painted with one coat of water-based sealer and two coats of algae-resistant emulsion paint. The water-based sealer enables better paint adhesion to the surface and is commonly used on external walls before the application of algae-resistant emulsion paint. The algae-resistant paint contains biocide which prohibits the growth of algae culture and gives the paint its algae resistant properties. The sealer and emulsion paint used in HDB blocks complies with the Singapore Standard 579 and the Singapore Standard 345 respectively, and they are also commonly used for buildings in Singapore, for both public and private sector projects.

These standards, which have helped ensure that external façade walls remain clean and clear of mould over the last 20 years, were most recently reviewed with industry experts in 2021 to ensure that the standards are updated and remain relevant to the industry. These standards were also used in numerous other HDB projects, where no such incidents of mould growth have been identified, including developments located near waterbodies.

HDB is currently commissioning a technical assessment to determine the cause of mould growth at Anchorvale Parkview and Matilda Court. Depending on the outcome of this assessment, the Singapore Standards Council will assess the need to further review the relevant standards, on top of the periodic review carried out every five to eight years to ensure their relevance.

EXTENSION OF HEIGHTENED SAFETY PERIOD TO ENSURE CONTINUED WORKPLACE SAFETY

37 **Mr Yip Hon Weng** asked the Minister for Manpower (a) whether the heightened safety period introduced in September 2022 is deemed to be an effective measure to improve workplace safety; (b) what are the considerations that will cause the Ministry to extend the heightened safety period beyond end-February 2023; and (c) what other measures will the Ministry take to improve the workplace safety situation in Singapore.

Dr Tan See Leng: This question has been addressed in the combined oral reply to Question Nos 40 and 41 on the Order Paper for 6 February 2023. [Please refer to "Workplace Fatalities Involving Hoisting Operations and Extension of Heightened Safety Period", Official Report, 6 February 2023, Vol 95, Issue 81, Written Answers to Questions for Oral Answer not Answered by End of Question Time section.]

PROPORTION OF WORKFORCE OFFERED WORK-FROM-HOME ARRANGEMENTS

38 **Mr Chua Kheng Wee Louis** asked the Minister for Manpower (a) whether the Ministry tracks the proportion of the workforce that are able to and are practising work-from-home arrangements; and (b) if so, what is the current proportion respectively.

Dr Tan See Leng: Based on MOM's survey in 2022, 34% of employed residents had worked from home at some point in the month they were surveyed.

Telecommuting is but one of many types of Flexible Work Arrangements (FWAs), which also include flexi-time, flexi-shift and flexi-load arrangements. We encourage employers and employees to consider the whole range of FWAs. Tripartite Partners will continue to encourage and guide employers to implement FWAs at the workplace, in a way that meets the needs of both employers and employees.

NAMING OF KEPPEL OFFSHORE & MARINE STAFF GIVEN STERN WARNING OVER PROBE INTO PETROLEO BRASILEIRO BRIBERY CASE

39 **Mr Dennis Tan Lip Fong** asked the Prime Minister whether it is in the public interest to disclose the names of the six former management staff of Keppel Offshore & Marine Limited (KOM) who are given stern warnings for their roles in the giving of S\$73 million bribes to officials from the Brazilian state-owned corporation Petroleo Brasileiro SA, notwithstanding the practice of not disclosing the names of persons who have been given stern warnings.

40 **Mr Dennis Tan Lip Fong** asked the Prime Minister (a) how did the Corrupt Practices Investigation Bureau arrive at the decision to issue stern warnings to the six former management staff of Keppel Offshore & Marine Limited (KOM) given the size of the bribes given to officials from the Brazilian state-owned corporation Petroleo Brasileiro SA which amounted to S\$73 million and the size of the fine KOM paid which amounted to US\$422 million; and (b) whether a detailed account of the facts behind the bribes payment can be provided.

41 **Mr Gerald Giam Yean Song** asked the Prime Minister since the conclusion of the Deferred Prosecution Agreement between Keppel Offshore & Marine Limited and the United States Department of Justice in December 2017 (a) how many times has CPIB reached out to witnesses overseas or sought to obtain documents located overseas; (b) when did these actions take place; and (c) what have the responses of the overseas witnesses or organisations been when contacted.

42 **Mr Gerald Giam Yean Song** asked the Prime Minister (a) why is CPIB not naming the six former senior management staff of Keppel Offshore & Marine Limited who have been issued stern warnings in lieu of prosecution for offences punishable under the Prevention of Corruption Act; and (b) whether their ages and nationalities can be revealed.

Ms Indranee Rajah (for the Prime Minister): These questions have been addressed in my reply to Question Nos 23 to 39 for Oral Answer on the Order Paper for 6 February 2023. [Please refer to "Findings from Keppel Offshore & Marine Corruption Probe", Official Report, 6 February 2023, Vol 95, Issue 81, Oral Answers to Questions section.]

TRANSFER OF INSTITUTIONAL KNOWLEDGE AS SLA TAKES OVER STATE LAND MANAGEMENT WITHIN HDB ESTATES

43 **Mr Murali Pillai** asked the Minister for Law in relation to the decision of SLA to take over from HDB state land management within HDB estates, how will SLA retain HDB's institutional knowledge from past dealings with stakeholders, such as concerns of residents and local practices in relation to the organisation of events on state lands, so that they can be taken into account for the issuance of Temporary Occupation Licences.

Mr K Shanmugam: With effect from 1 March 2023, the Singapore Land Authority (SLA) will take over the management of all state land within HDB estates. With this change, all applications for interim use of vacant state land and properties, within and outside HDB estates, will be handled by SLA. This will allow for greater administrative and operational efficiency. SLA and HDB have worked through the transition process to ensure that the transition will be as seamless as possible for existing users of state land and properties within HDB estates.

SLA and HDB have worked closely to ensure the preservation of data, institutional knowledge and expertise in relation to the management of vacant state land within HDB estates. The existing HDB team managing the state land portfolio will be transferred to SLA and will continue to manage state land matters within HDB estates, such as the issuance of Temporary Occupation Licences (TOLs) and handling of municipal feedback.

NUMBER OF VACANT SCHOOL SITES AND AVERAGE LENGTH OF TIME OF VACANCY

44 **Mr Leon Perera** asked the Minister for Education (a) how many school sites are currently vacant; (b) what is the current average length of time such sites remain vacant; (c) what is the current status of these sites which were used as COVID-19 vaccination centres and migrant worker housing during the COVID-19 pandemic; and (d) whether the Ministry will consider offering short-term leases at these sites pending the long-term plan for these plots of land and facilities, to raise revenue and optimise our buildings.

Mr Chan Chun Sing: The Ministry of Education (MOE) currently has 10 vacant school sites. Two are currently being spruced up to be used as interim holding sites, there are plans for another two sites to be used as interim holding sites before schools move to their upgraded or new campuses or as permanent campuses. The remaining six sites are pending reinstatement before the land is returned to the Singapore Land Authority (SLA) for other uses.

In addition, there are six former school sites that are still being used or temporarily safeguarded for use for COVID-19 related operations. When they are no longer needed for such operations, these sites will be returned to MOE for use as either interim holding sites or as permanent sites for new schools.

MOE regularly reviews our schools infrastructure plans and where there are vacant sites which MOE does not need, the sites will be returned to SLA who will work with the relevant Government agencies to put the buildings out for adaptive reuse if there are no short-term needs for the land. In other cases, the land is converted to other uses.

DRUG OFFENDERS AND TRAFFICKERS UNDER AGES OF 14 AND 16

46 **Dr Tan Wu Meng** asked the Minister for Home Affairs over the past 10 years, whether there has been an increasing trend of young drug offenders and traffickers respectively, who are under (i) 14 years of age and (ii) 16 years of age.

Mr K Shanmugam: We have not observed an increasing trend of individuals, under the ages of 16 or 14, committing drug offences. This applies to drug offences of consumption, possession and trafficking.

Between 2012 and 2021, each year, an average of 49 persons under the age of 16 were arrested and investigated for all drug offences. Of these, about 10% were under the age of 14.

As for the offence of drug trafficking, an average of four persons under the age of 16 were arrested and investigated each year. Of these, persons under the age of 14 formed a small proportion, less than 6%. In fact, in the past 10 years, only two persons under the age of 14 had been arrested.

While the trend has remained stable, the Central Narcotics Bureau (CNB) is aware that some younger people take a more permissive attitude towards drugs, especially cannabis. CNB will continue to monitor the situation closely and sustain its preventive drug education efforts.

DATA ON LOCALLY TRAINED MEDICAL DOCTORS ACCEPTED INTO RESIDENCY PROGRAMMES

47 **Mr Leon Perera** asked the Minister for Health in each year from 2017 to 2022 (a) what percentage of locally trained medical doctors from each graduating cohort are accepted into residency programmes; (b) what percentage of those who did not receive places in residency programmes continue to remain in the public hospitals after completing their bond and for how long; and (c) of those who left the public hospitals after completing their bond, what types of careers have they pursued.

Mr Ong Ye Kung: We need doctors of varying skillsets to meet the healthcare needs of Singaporeans. As our population ages, we will increase our focus on preventive care in the community through the Healthier SG strategy. Hence, beyond hospital specialists, we will need to train more doctors to be Family Physicians. Both are offered as residency programmes.

Between 2017 and 2021, about 53% out of the average annual cohort of about 420 local medical graduates were matched to a residency training position. While doctors are eligible to apply to start training from the second year of their graduation, the application process is competitive, and it may take several years before they join residency. About 96% of the 400 residency training positions offered each year are filled by locally trained doctors and foreign trained locals.

Many doctors continue in public healthcare institutions after their bond. They do broad-based practice in a hospital setting, and the Ministry of Health supports their development of broad-based clinical skills through the Hospital Clinician scheme. Others practice in our polyclinics, which serves as important training and primary care sites.

As for doctors who leave the public healthcare institutions, we do not track their career path. A proportion go into primary care as General Practitioners or may continue their post-graduate training in Family Medicine. These doctors are an integral part of our healthcare system and are essential to the success of the Healthier SG strategy.

DATA ON PAY GAP BETWEEN ITE, POLYTECHNIC AND UNIVERSITY GRADUATES

48 **Dr Wan Rizal** asked the Minister for Education (a) whether the Ministry will consider collecting data on the pay gap between ITE, polytechnic and university graduates over the course of their careers; and (b) if so, what steps will the Ministry be taking.

Mr Chan Chun Sing: The Government monitors overall wage levels by qualification and age through the Ministry of Manpower's Comprehensive Labour Force Survey. Beyond this, the Ministry of Education has been working with the Institutes of Higher Learning to pilot tracer surveys that track our graduates' employment status and wages five years after graduation. This will complement the Graduate Employment Survey that the IHLs conduct six months after graduation and allows us to track key trends on outcomes post-graduation.

WRITTEN ANSWERS TO QUESTIONS

CASES OF SINGAPORE COMPANIES CONVICTED OF CORRUPTION OVERSEAS AND PROSECUTED IN SINGAPORE

1 **Ms Hazel Poa** asked the Prime Minister since 1965 (a) how many cases are there of Singapore companies being convicted of corruption overseas; and (b) how many of these cases are also prosecuted in Singapore.

Ms Indranee Rajah (for the Prime Minister): This question has been addressed in my reply to Question Nos 23 to 39 for oral answer on the Order Paper for 6 February 2023. [*Please refer to "Findings from Keppel Offshore & Marine Corruption Probe", Official Report, 6 February 2023, Vol 95, Issue 81, Oral Answers to Questions section.*]

LEVERAGING ARTIFICIAL INTELLIGENCE TECHNOLOGY TO INCREASE ACCESSIBILITY OF GOVERNMENT SERVICES

2 **Miss Rachel Ong** asked the Prime Minister whether there are plans to leverage Artificial Intelligence technology similar to ChatGPT to increase accessibility of Government services to seniors and individuals who are less technologically savvy or who find navigating English websites challenging.

Mrs Josephine Teo (for the Prime Minister): It is important to ensure that everyone, including seniors and individuals who face challenges with technology or language barriers, can access and benefit from the digital services provided by the Government. This includes making high-traffic Government websites and e-services more accessible, offering programs like Seniors Go Digital to support seniors in embracing technology and providing non-digital alternatives.

Beyond this, we regularly review how we can better support less digitally savvy residents. This includes tapping on new and different technologies such as Artificial Intelligence (AI). For example, the Municipal Services Office's OneService Chatbot using AI enables residents to more conveniently report municipal issues through common social messaging platforms.

ChatGPT is one of the latest developments in this space. It leverages advances in large language models trained on massive amounts of text data and alignment techniques to generate human-like conversational responses on an extremely wide range of tasks. We are carefully studying the potential of adopting such AI technologies to boost digital inclusion, balancing considerations such as cost, reliability and other limitations arising from the technology itself.

The Government is always looking for opportunities to innovate and enhance the lives of citizens, and we will do so in a responsible and safe manner.

HOUSEHOLD FORMATION TRENDS AND SHIFT IN AVERAGE NUMBER OF PERSONS PER HOUSEHOLD

3 **Mr Liang Eng Hwa** asked the Prime Minister with regard to the number of household formation in the last three years (a) what is the expected trend on such number in the next three years; and (b) whether there will be a shift in the average number of persons in each household based on the expected trend.

Ms Indranee Rajah (for the Prime Minister): The rates of household formation and average household sizes are influenced by several factors, such as family formation and dissolution, and preferences for various living arrangements.

The number of resident households¹ grew by an average of 0.7% per annum between 2019 and 2021, from 1.37 million to 1.39 million. This was slower than the average annual growth rate of 2.4% between 2016 and 2018, before the COVID-19 pandemic.

The average household size has remained stable between 2019 and 2021, at around 3.2 persons per household. This is a slight decrease compared to the preceding three-year period of around 3.3 persons per household on average.

For the near future, we expect societal trends towards smaller households and continued growth in the formation of households. We will continue to monitor these trends closely to ensure that our policies and plans meet Singaporeans' needs.

Note(s) to Question No(s) 3:

¹ A resident household refers to a household where the household reference person is a Singapore Citizen or Permanent Resident.

RESIDENT HOUSEHOLDS WHERE MALE SPOUSE HAS NO INCOME OR LOWER INCOME COMPARED TO FEMALE SPOUSE

4 **Mr Chua Kheng Wee Louis** asked the Deputy Prime Minister and Minister for Finance in each year over the last 10 years, what is the respective number and proportion of resident households comprising a married couple where (i) the male spouse does not have an earned income but the female spouse does and (ii) the male spouse has a lower earned income compared to the female spouse.

Mr Lawrence Wong: Data on monthly income from work of husband and wife is available in the Census of Population and General Household Survey published by the Department of Statistics. Mr Louis Chua may refer to the Department of Statistics website for the data.

ESTIMATED TIMELINE TO COMPLETE REVIEW AND CHECKS ON COVID-19-RELATED PROCUREMENT AND EXPENDITURE

5 **Mr Zhulkarnain Abdul Rahim** asked the Deputy Prime Minister and Minister for Finance in view of the Auditor-General's Office findings and The Third Report of the Public Accounts Committee on COVID-19-related procurement and expenditure, what is the estimated timeline that the Ministry expects to complete its review of the controls and checks on COVID-19 related procurement and expenditure, including following up with the relevant agencies to rectify any errors uncovered and taking steps to recover any erroneous payments.

Mr Lawrence Wong: Agencies have conducted internal audits on COVID-19 spending since early 2022, which include reviews on the effectiveness of internal controls, as well as the validity and accuracy of payments. Findings and remedial actions from the internal audits are reported to the respective agencies' senior management, as well as to their Audit Committees and Boards in the case of Statutory Boards.

The \$72.3 billion in COVID-19 spending included a broad range of public expenditure to safeguard public health and enable safe-reopening, and support measures for individuals and businesses in the form of grants, financing assistance, tax rebates and vouchers. Over half of the COVID-19 expenditure have been audited, and the remaining audits are ongoing and are expected to be completed by the end of Financial Year 2024.

PROPERTY TAXES COLLECTED AND REASONS FOR RISE IN ANNUAL VALUES OF RESIDENTIAL PROPERTIES

6 **Mr Liang Eng Hwa** asked the Deputy Prime Minister and Minister for Finance (a) what is the projected collection of property taxes in FY 2023/24 relative to FY 2022/2023; (b) what are the contributing factors to the rise in annual values of residential properties; and (c) how can the impact of property tax increases to the low- and middle-income homeowners be further mitigated.

Mr Lawrence Wong: Property Tax (PT) is based on the annual value (AV) of the property, where AV is the estimated annual rent of the property based on market transactions for similar properties.

For 2023, AVs increased due to higher market rentals. As a result, the PT payable has also increased.

To mitigate the impact of the higher PT in 2023, the Government has provided a 60% PT rebate to all owner-occupied residential properties, up to a cap of \$60.

With the rebate, those who live in a 3-room HDB flat will see an increase in PT of not more than \$2.60 per month and those who live in a 5-room HDB flat will see an increase in PT of not more than \$4.40 a month.

The estimated PT revenue for FY2023/2024 and revised PT revenue estimates for FY2022/2023 will be released on 14 February 2023, through the Budget 2023 revenue and expenditure estimates.

REPORTS OF EMPLOYERS ACTING UNFAIRLY TOWARDS NSMEN WITH RESERVIST OBLIGATIONS

7 **Dr Tan Wu Meng** asked the Minister for Defence in each year since 2017 (a) how many reports have been received regarding employers acting unfairly towards NSmen with reservist obligations; (b) what actions have been taken against such employers; and (c) what measures are in place to recognise employers who actively support NSmen.

Dr Ng Eng Hen: Under the Enlistment Act, the Ministry of Defence (MINDEF) compensates employers for the salaries due to their NSmen employees, whenever the NSmen employees need to absent themselves from work to perform their Operationally Ready National Service (ORNS) duties. On their part, employers are required to grant their NSmen employees leave of absence and keep the latter in employment during these periods. Employers who fail to do so are liable for custodial sentences and fines.

Today, public support for NS is strong and the vast majority of employers understand the critical need for NS and fully support their NSmen employees with ORNS obligations. MINDEF takes a serious view of any unfair treatment by employers. Most cases of feedback and complaints MINDEF receives on possible unfair treatment by employers turn out to be a matter of misunderstanding that can be resolved through clarifications.

Since 2017, there have been four cases received by MINDEF which had further follow-up by MINDEF, the Ministry of Manpower or the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP). One case resulted in the employer reimbursing their NSman staff's overtime allowances, while another was resolved through advice on how the employer and NSman can better work out mutually acceptable arrangements in advance of his ORNS duty period. For the remaining two cases, agencies advised the complainants on their options for recourse, but the complainants did not follow up on the cases.

MINDEF engages employers regularly to encourage them to support their NSmen employees. We also accord recognition to exemplary employers. For example, the NS Mark accreditation is awarded to organisations that have adopted good practices to help NSmen employees balance their personal and ORNS commitments, and the NS Advocate Award to those amongst them who lend exemplary support.

VERIFICATION OF MENTAL OR PHYSICAL HEALTH OF INMATE AGAINST PUBLIC HOSPITAL RECORDS AT TIME OF ADMISSION

8 **Mr Dennis Tan Lip Fong** asked the Minister for Home Affairs whether the Singapore Prison Service routinely verifies the mental or physical health of an inmate at the time of admission against the inmate's public hospital records.

Mr K Shanmugam: All inmates undergo health screening upon admission to prisons. As part of the screening process, the Prison Medical Officer will refer to the National Electronic Health Records, to check the inmate's pre-existing health conditions. This will include mental health conditions. The Prison Medical Officer will also check the National Immunisation Registry for the inmate's vaccination records.

In addition to checks done by the Prison Medical Officer against available medical records, the inmate will also be required to complete a screening questionnaire. This is for the Prison Medical Officer to gather information on his past medical history and mental wellbeing, amongst others. The Prison Medical Officer will also carry out a physical examination to assess the inmate's health and if the inmate has any urgent medical conditions or is suspected to have any infectious disease.

CASE OF MAN AWARDED \$20,000 FOR BEING WRONGLY IMPRISONED IN 2017

9 Mr Leong Mun Wai asked the Minister for Home Affairs (a) what are the lapses involved in the case of a man who has been awarded \$20,000 in damages for being wrongly imprisoned in 2017; (b) what has caused the case to drag on for so long; (c) whether any actions have been taken by the Singapore Police Force against the officers involved; (d) if so, what are these actions; and (e) what actions have been taken to prevent a recurrence of such incidents.

Mr K Shanmugam: Mr Ang Wei Neng and Mr Saktiandi Supaat had also asked related questions for oral reply today. I have addressed these questions together with Mr Leong Mun Wai's question. [*Please refer to "Reviewing Police's Operating Procedures to Minimise Occurrences of Wrongful Arrest", Official Report, 7 February 2023, Vol 95, Issue 82, Oral Answers to Questions section.*]

In the Mah Kiat Seng case, the High Court made a number of observations about the conduct of a specific police officer. The officer had detained a person under section 7 of the Mental Health (Care & Treatment) Act (MHCTA).

The subject was believed to be dangerous by reason of mental disorder. He was reported to have suddenly touched the head of a stranger's four-year-old child, without having any reason to do so. He was also observed to have behaved erratically.

We are studying the judgment in this case. Our concern is that the Court's findings may adversely impact the Police's ability to detain persons under the provisions of the MHCTA, as they stand.

The Attorney-General's Chambers will be advising on whether we should file an application for permission to appeal, in respect of the judgment.

Since an appeal may be filed, we usually refrain from commenting in detail on Court decisions – unless it is in the public interest that we do so. The Administration of Justice (Protection) Act provides for statements on pending court proceedings to be made, in such situations. In our view, this is one such case. But nevertheless, I will try and be careful in what I say, and will be quite constrained and circumscribed.

Before I comment on the case itself, let me give Members some perspective.

Today, Singapore is one of the safest countries in the world. Our level of safety and security is underpinned by the high levels of trust between the Government and the public, and a system of policing that is highly trusted and effective. In the 2022 Gallup Law and Order Survey, 95% of Singapore residents feel safe walking alone on the streets at night. The SPF's Public Perception Survey in 2021 showed that public trust in the SPF is at 96%. In the same survey, 98% of respondents said that they would provide assistance and information to the Police if there was a need.

This would not be possible without the high level of trust in, and competence of, the Singapore Police Force, built up over the years.

The framework we have in place, to ensure that our officers behave in accordance with the law, has helped to maintain standards and trust. I will mention the following:

First, the Police themselves are the first layer of check; there is a process to investigate any abuse of power. And we ourselves take action against errant officers. People know that we will do so. Patrol Officers wear Body-Worn Cameras. Officers' actions can be assessed and actions taken.

Second, where necessary, we can convene – and we have convened – the Independent Review Panel (IRP). The IRP consists of former judges, former senior public officers, and other individuals with significant standing in society. It provides an independent assessment on whether the internal investigations were fair and thorough.

And third, if criminal offences are potentially disclosed, we recommend court prosecution and let the Courts deal with the matter. The Courts thus provide a third layer of safeguards. The supervision of the Courts is an integral part of ensuring that our system functions properly. This system of checks and balances is an important part of the rule of law.

To give Members a sense, over the past three years, an average of 78 police officers have been subject to disciplinary proceedings annually. And about 10 police officers have been charged in court each year, for the past three years, for criminal offences.

We will not hesitate to take action when there is an infraction – that is essential to maintain trust with the public, and discipline within the Force.

At the same time, while we have to be strict about upholding the highest standards for Police, we have to ensure that our analysis of officers' ground judgements is reasonable and fair.

Police officers work in high-stress and dynamic environments. They often have to make split-second decisions and take decisive action, based on the limited information that they have. It would not be realistic to critique their every move with the benefit of hindsight, removed from the conditions on the ground. The officers must be given sufficient latitude to make swift ground assessments and decisions, so long as they have acted in good faith.

An environment in which Police actions are unfairly critiqued, will inevitably undermine public trust in the Police. It will also lead to defensive policing – where the ground officers will try to do the least possible. They will fear that everything they do will be over-analysed and picked apart unfairly. It would be easier in such situations to not do anything. Defensive policing is, essentially, no policing. This will have a detrimental effect on our safety and security. And an unfair characterisation of the Force will eventually also lead to the public thinking of the Police as the enemy, and viewing the Police with suspicion. That has happened in other countries. We have so far avoided that situation. And we have to be careful to avoid that outcome.

On this specific case, we do have some concerns about the judgment that has been delivered, in this respect.

The Court found that the detained subject had “unusual” behaviour, but these did not qualify as symptoms of someone with a mental disorder. The Court also said that the officer took a dislike to the detained person, and that the officer had made up observations about him. We are looking closely at the Court’s reasons for reaching these conclusions – Police tell me that they take a different view.

Police and AGC will look at these points and decide whether the Court’s decision should be appealed. In deciding what to do, we have to bear in mind that decisions in individual cases can have a much larger and unintended effect, of negatively impacting how officers react in future to situations.

The Court also made some comments about several issues in law. Such as what “danger” in the MHCTA must entail, on the ground. And whether powers for the Police to “apprehend” someone under the MHCTA and to “arrest” someone under the Criminal Procedure Code are the same. These comments might have an impact on how the Police can exercise its powers and may have adverse public safety implications.

We are studying the Court’s comments carefully. We will then decide whether to file an application for permission to appeal, or make legislative changes as necessary, to address any gaps that may have arisen between the policy intent and the position in law. If we reach the conclusion that the Court’s findings are in fact (as advised by AGC) reasonable and correct, then we will have to internalise that and make sure the key points are made clear to our officers, so that they understand the situation better. Right now, the sense amongst them is one of concern on what liability may befall them for actions which they may take in the discharge of their duties.

In summary, there are concerns with the judgment. We are now considering the next steps.

NUMBER OF ROAD TRAFFIC ACCIDENTS INVOLVING CAR-SHARING VEHICLES AND RESULTING IN CASUALTIES IN 2021 AND 2022

10 **Mr Gerald Giam Yean Song** asked the Minister for Home Affairs (a) how many road traffic accidents involving car-sharing vehicles and resulting in casualties have there been in 2021 and 2022 respectively; (b) whether the incidence rate of such accidents is higher than that of the general car population; and (c) what measures is the Ministry considering to reduce the rate of accidents involving car-sharing vehicles.

Mr K Shanmugam: The Traffic Police do not track whether vehicles involved in accidents are car-sharing vehicles.

Our traffic safety measures are aimed at reducing the rate of all accidents. The Traffic Police will continue to engage and educate motorists to practice safe driving practices and enforce the law.

STRICTER MEASURES TO PREVENT SMUGGLING OF OPIUM THROUGH OR INTO SINGAPORE

11 **Mr Zhulkarnain Abdul Rahim** asked the Minister for Home Affairs in light of a recent United Nations Office on Drugs and Crime report on the expansion of opium cultivation and production in Myanmar, what steps will CNB in concert with other relevant enforcement agencies in ASEAN take to deploy stricter measures to prevent the smuggling of opium, in particular through or into Singapore.

Mr K Shanmugam: The Central Narcotics Bureau (CNB) works closely with its international partners, through regular intelligence sharing and joint operations, to prevent illicit drugs from entering or transiting through Singapore. In 2022, CNB conducted 16 joint operations with its international partners to deal with drug syndicates operating in the region.

Specifically on cooperation within ASEAN, CNB is a member of the ASEAN Airport Interdiction Task Force (AAITF) and ASEAN Seaport Interdiction Task Force (ASITF). The Task Forces provide a platform for ASEAN enforcement agencies to collaborate and interdict drug trafficking in the ASEAN region.

There has not been any case of opium transshipment detected in Singapore for more than 10 years. There were also no seizures of opium in Singapore in the last five years.

While opium abuse has not been prevalent in Singapore since the mid-1990s, opium is also used to produce heroin, which is currently the second most commonly abused drug in Singapore. CNB continues to maintain the intensity of its enforcement efforts against all drugs, including heroin, given the harms of drug abuse.

CNB will monitor the situation closely with its ASEAN partners.

LONG-TERM VISIT PASS APPLICATIONS FOR FAMILY MEMBERS TO ASSIST WITH CARE RESPONSIBILITIES IN SINGAPORE

12 **Ms He Ting Ru** asked the Minister for Home Affairs in each of the last five years (a) how many Long-Term Visit Pass applications are received for family members to assist with residents' childcare or other care responsibilities; and (b) how many of such applications are successful.

Mr K Shanmugam: The types of foreigners that can apply for a Long-Term Visit Pass (LTVP) can be found on the website of the Immigration and Checkpoints Authority (ICA). These include spouses, unmarried minor children and parents of Singapore Citizens or Permanent Residents.

While ICA may ask questions about the applicant's caregiving arrangements to make a holistic assessment of an application, ICA does not actively track the number of LTVP applications that are for the purposes of providing childcare or other care responsibilities.

DETAILS ON FIRE AT EAST COAST ROAD ON 9 JANUARY 2023 WHERE PIT COVER OF FIRE HYDRANT WAS STUCK

13 **Mr Gerald Giam Yean Song** asked the Minister for Home Affairs regarding the fire at East Coast Road on 9 January 2023 (a) whether the pit cover of the nearest fire hydrant was stuck and, if so, why and what was done to dislodge it; and (b) whether the delay in drawing water from the nearest hydrant caused the fire to spread to more houses.

Mr K Shanmugam: Mr Gerald Giam¹ had a related question scheduled for a future Sitting. I will address these questions together for a holistic reply.

In the fire incident that the Singapore Civil Defence Force (SCDF) attended to at East Coast Road on 9 January 2023, SCDF responders were initially unable to remove the pit cover of the nearest fire hydrant. They immediately used the next nearest hydrant and established water supply within minutes.

Despite the stuck pit cover, the firefighting operation was not affected as there was sufficient water from the fire engine's internal water tank before the hydrant water supply was established. The pit cover of the nearest fire hydrant was subsequently removed and water was tapped from it to support the firefighting operations.

In this incident, the pit cover was difficult to remove due to an accumulation of dirt and sediment around the seams of the pit cover. This may occur occasionally, especially after a period of wet weather. Prior to the incident, the affected hydrant was inspected by SCDF in December 2021 and subsequently by the Public Utilities Board (PUB) in March 2022.

Singapore has a network of approximately 23,000 public hydrants. They are tested annually for serviceability. This hydrant would have been tested again within this work year, by March 2023. A typical test will include functional checks on the hydrant including the removal of the pit cover followed by the measurement of its water flow and pressure. These tests are in addition to the periodic hydrant inspection by the PUB.

The annual fire hydrant testing regime is adequate in mitigating the risk of major defects between inspections. Furthermore, given the relatively short distance (in many cases) between each hydrant, SCDF's responding crew will generally be able to quickly tap on alternative water sources should the need arise.

Note(s) to Question No(s) 13:

¹ To ask the Minister for Home Affairs (a) whether the annual fire hydrant inspections include checks on the pit covers; and (b) whether improvements to the current inspection regimen are necessary.

REVIEW OF INHERITANCE (FAMILY PROVISION) ACT 1966 TO ALLOW EXTENSION OF LEGAL DUTY OF NATURAL PARENT TO MAINTAIN ILLEGITIMATE CHILD AFTER DEATH

14 **Mr Murali Pillai** asked the Minister for Law whether the Inheritance (Family Provision) Act 1966 will be reformed to allow the extension of the current legal duty of a natural parent to maintain an illegitimate child to continue after his or her death such that his or her estate will continue to be liable to discharge that duty.

Mr K Shanmugam: The Ministry of Law has been studying possible reforms to the Inheritance (Family Provision) Act 1966. This has taken some time, due to resource constraints. We will provide further updates when the studies are completed.

PLANS FOR REVIEW OF CRIMINAL DISCLOSURE OBLIGATIONS IN CRIMINAL PROCEDURE CODE 2010

15 **Mr Murali Pillai** asked the Minister for Law whether the Government intends to update the criminal disclosure obligations set out in the Criminal Procedure Code 2010 having regard to holdings of the Court of Appeal on disclosure of documents in criminal cases.

Mr K Shanmugam: We are reviewing the statutory and common law disclosure obligations in criminal cases and considering amendments to the Criminal Procedure Code. We will provide more details when ready.

UPDATES ON RECOMMENDATIONS IN COMMITTEE OF PRIVILEGES' REPORT PRESENTED TO PARLIAMENT ON 10 FEBRUARY 2022

16 **Mr Zhulkarnain Abdul Rahim** asked the Minister for Law whether any update can be provided on the Attorney-General's investigations or decision pursuant to the recommendations made in the Report of the Committee of Privileges, Parliamentary Paper 13 of 2022, presented on 10 February 2022.

Mr K Shanmugam: After the Report of the Committee of Privileges (COP) in Parliamentary Paper No 13 of 2022 was presented to Parliament on 10 February 2022, Parliament referred the conduct of Mr Pritam Singh and Mr Muhamad Faisal Bin Abdul Manap before the COP to the Public Prosecutor (PP).

The PP has referred the matter to the Police for investigations, which are ongoing.

IMPACT OF ANTICIPATED DROUGHT AND BUSHFIRES IN AUSTRALIA ON SINGAPORE'S FOOD IMPORT

17 **Miss Rachel Ong** asked the Minister for Trade and Industry (a) how the anticipated drought and bushfires hitting Australia at the end of the year may affect Singapore's food imports from the country; and (b) how will such impact on food supply be mitigated.

Mr Gan Kim Yong: Our key food imports from Australia include vegetables, meat and wheat. The Australian government is confident that Australia's export position for agriculture in 2023 remains strong.

In the wake of climate change, we can expect extreme weather conditions to affect global food supply. To prevent and mitigate the impact of such disruptions, the Government adopts a multi-pronged strategy involving import diversification, stockpiling and local production. At present, we import food from over 180 countries and regions. We are also developing our local agri-food industry to grow more food locally, as a buffer during supply disruptions.

As Singapore imports more than 90% of our food, we will not be able to insulate ourselves entirely from supply chain disruptions. We encourage consumers to be flexible and adaptable to different food types and forms and for the industry to maintain robust contingency plans to adapt to the evolving conditions.

PROJECTED FUNDING FOR BIOTECH SECTOR IN NEXT DECADE

18 **Ms He Ting Ru** asked the Minister for Trade and Industry (a) how much funding is projected to be needed for the biotech sector over the next decade; (b) whether the Government plans to provide any funding to the biotech sector; and (c) if so, what is the breakdown of funding for (i) pre-clinical (ii) clinical and (iii) commercialisation stages respectively.

Mr Gan Kim Yong: We do not have such granular information about the funding gaps in the biotech sector. That said, we expect the sector to grow by around 8% per annum¹ and for its funding needs to increase correspondingly.

The Government is supporting the sector's funding needs in several ways. First, sector-specific initiatives such as the Singapore Therapeutics Development Review (STDR) programme run by A*STAR nurtures our existing base of researchers and grooms them into potential biotech founders. EnterpriseSG continues to grow our biotech venture ecosystem in Singapore by working with venture capitalists and builders to channel more investments to Singapore-based biotech startups.

Biotech companies in Singapore have various schemes to tap into. For example, the Startup SG Tech grant and the Startup SG Equity investment scheme help to de-risk early developments and catalyse private investments. During Budget 2020, S\$300 million was added to the Startup SG Equity scheme to catalyse more than S\$800 million of private funding for deep-tech startups. The Government has also committed \$25 billion to the Research, Innovation and Enterprise (RIE) 2025 plan.

Note(s) to Question No(s) 18:

¹ As most companies are in the pre-commercialisation stage and hence not profitable, we used the number of firms in the sector as a proxy for its size, rather than VA.

MEASURES TO ENSURE SAFE PASSAGE OF SHIPS IN SINGAPORE STRAIT

19 **Mr Shawn Huang Wei Zhong** asked the Minister for Transport in view of the rise in piracy and armed robberies in the Singapore Strait in 2022, what are the measures taken to ensure the safe passage of ships in the Strait.

Mr S Iswaran: This question was addressed in the written reply issued for Question 15 for written answer for the 6 February 2023 Parliament Sitting. [*Please refer to "Reasons for Continued Increase in Armed Robbery Cases Onboard Commercial Vessels in Singapore Strait", Official Report, 6 February 2023, Vol 95, Issue 81, Written Answers to Questions section.*]

INSTALLATION OF NOISE BARRIERS ON MRT TRACKS NEAR RESIDENTIAL AREAS AND PROPOSAL TO REDUCE TRAIN SPEED NEAR RESIDENTIAL AREAS

20 **Mr Yip Hon Weng** asked the Minister for Transport regarding MRT tracks located near residential areas (a) how does LTA collaborate with other agencies in planning and implementation of noise barriers along these tracks; (b) whether LTA has considered the potential increase in noise levels due to wear and tear on older tracks when evaluating noise reduction measures; and (c) whether LTA will consider reducing the speed of MRT trains near residential areas to mitigate noise pollution if installation of noise barriers are not possible due to prevailing policies.

Mr S Iswaran: The Land Transport Authority (LTA) has been progressively installing noise barriers along the MRT viaducts fronting residential developments. So far, 21.5 kilometres of noise barriers covering 45 locations along our MRT viaducts have been installed; works are ongoing to install a further 5.5 kilometres of noise barriers at another 16 locations. These locations were selected following

island-wide noise measurement studies conducted in 2011/2012 and again in 2018, to identify locations near above-ground MRTs where the noise level exceeded the National Environment Agency's (NEA) recommended threshold of 67 decibels averaged over an hour. These studies took into consideration potential increase in noise levels due to wear and tear of older tracks and increase in train frequencies.

Since July 2016, NEA also requires conduct of Traffic Noise Impact Assessment (TNIA) for new developments if they result in residential areas being within 70 metres of above-ground MRT tracks and stations. LTA would study potential land traffic noise impact prior to construction of new above-ground MRT tracks and implement mitigation measures to ensure compliance with NEA's noise guidelines.

Reducing train speed is not advisable as it will increase journey time and reduce the carrying capacity of MRT lines. LTA works with train manufacturers and operators to mitigate noise in other ways. These include fitting trains with noise-dampening wheels, using ballast and concrete sleepers on the elevated tracks to better absorb vibration and noise, and servicing train wheels and tracks more frequently.

TESTS ON WATER SOURCES FOR PRESENCE OF MICRO-PLASTICS CONTAMINATION

21 Mr Edward Chia Bing Hui asked the Minister for Sustainability and the Environment (a) whether the Ministry has tested our national water supply in the last year for micro-plastics contamination levels; and (b) if so, whether the test has been conducted for each of the four national tap sources to ascertain if there are any differences in the presence of micro-plastics.

Ms Grace Fu Hai Yien: PUB has conducted biennial surveillance of the level of micro-plastics in water from our Four National Taps since 2017. The latest testing results in 2021 showed that micro-plastics were not detected.

IMPACT OF PACKAGING PARTNERSHIP PROGRAMME AND RESOURCE SUSTAINABILITY ACT ON AMOUNT OF SINGLE-USE PLASTICS PRODUCED

22 Mr Yip Hon Weng asked the Minister for Sustainability and the Environment (a) how have the Packaging Partnership Programme and the Resource Sustainability Act impacted the amount of single-use plastics produced by companies; and (b) what further measures are planned to reduce the use of single-use products and packaging materials by enterprises.

Ms Grace Fu Hai Yien: Under the Mandatory Packaging Reporting (MPR) scheme in the Resource Sustainability Act, producers of packaged products as well as retailers such as supermarkets, are required to submit to the National Environment Agency (NEA) their annual packaging data and plans to reduce, reuse or recycle (3R) packaging, including plastics. The MPR scheme raises the awareness of companies on the amount of packaging materials used and encourages them to reduce usage. Companies submitted their inaugural reports in 2022. We will monitor the progress of their 3R trends and plans in upcoming reporting cycles.

The Packaging Partnership Programme (PPP), an industry capability-building programme launched in 2021, supports companies in adopting sustainable packaging practices. To date, the PPP has conducted about 20 events, including webinars, training sessions, conferences and site visits; and developed resources such as the 3R Guidebook for Packaging. These initiatives have benefited more than 700 companies, and facilitated the exchange of best practices in sustainable packaging.

The shift towards more sustainable business practices requires the collective effort of all stakeholders. Some retailers have already started to voluntarily charge for disposable carrier bags. To take our efforts to the next level, the Government will be introducing legislation to require large supermarkets to charge for disposable carrier bags from mid-2023, to reduce consumption of disposable carrier bags. Details will be announced shortly. Partners of NEA's "Say YES to Waste Less" campaign have also introduced initiatives to discourage the use of disposables such as bags, cups and takeout containers.

We will continue to work with the industry to explore initiatives which reduce the use of disposables and single-use packaging.

OFFENCE FOR LEAVING VEHICLE ENGINES IDLING AND WHETHER IT APPLIES TO ELECTRIC VEHICLES

23 Mr Melvin Yong Yik Chye asked the Minister for Sustainability and the Environment whether the offence for leaving vehicle engines idling applies to electric vehicles, which have no tailpipe emissions.

Ms Grace Fu Hai Yien: Under Regulation 21 of the Environmental Protection and Management (Vehicular Emissions) Regulations, it is an offence for the driver not to stop the engine of the vehicle when it is stationary for reasons other than traffic conditions. Since the electric motor(s) of an electric vehicle would stop when it is stationary, Regulation 21 would not apply.

REPORTS RECEIVED ON HIGH-RISE LITTERING INVOLVING FAECES SINCE 2017

24 Dr Tan Wu Meng asked the Minister for Sustainability and the Environment annually since 2017 (a) how many reports have been received regarding high-rise litter involving faeces; (b) in how many of these cases have the perpetrators identified; and (c) what are the penalties received by the perpetrators.

Ms Grace Fu Hai Yien: The National Environment Agency does not track the types of litter involved in high-rise littering cases.

High-rise littering offenders, regardless of the litter type, will be charged in Court. They can be fined up to \$2,000 for their first conviction, \$4,000 for their second conviction and \$10,000 for third and subsequent convictions. In addition to the fines, offenders may also be issued a Corrective Work Order which will require them to clean public areas for up to 12 hours.

PROGRESS OF NATIONWIDE REUSABLE DINING-WARE SCHEME

25 **Mr Leon Perera** asked the Minister for Sustainability and the Environment (a) whether the Ministry is able to provide updates on the progress of the Nationwide Reusable Dining-ware Scheme that was proposed by the Citizens' Workgroup on Reducing Excessive Consumption of Disposables; and (b) whether it will consider banning disposables for dining-in at all chain restaurants as part of the scheme.

Ms Grace Fu Hai Yien: The Citizens' Workgroup on Reducing Excessive Consumption of Disposables proposed the National Reusable Dining-ware Scheme which included a ban on disposables for dine-in at food and beverage (F&B) establishments and implementing a reusable takeaway container scheme for consumers to rent containers to take away food.

The public sector is taking the lead to reduce the use of disposables for dine-in meals. For example, the use of disposable crockery and cutlery for dine-in meals has been disallowed at new hawker centres since 2016, and for all new stallholders in existing hawker centres since 2018. In addition, stallholders in the eight existing hawker centres that have adopted centralised dishwashing services under the Productive Hawker Centres programme have also switched to using reusable common crockery for dine-in meals.

Some F&B establishments have implemented reusable takeaway container rental systems. For example, various F&B establishments, including the operator of the Socially-conscious Enterprise Hawker Centre at Our Tampines Hub, have partnered Muuse, a startup providing reusables rental solutions, to provide customers with reusable takeaway food containers for rental. Given the wide range of business models, premises types and food types in the F&B industry, F&B establishments are best placed to determine if a reusables rental system is suitable for them.

MANAGE USE OF ARTIFICIAL INTELLIGENCE BOTS IN SCHOOLS

26 **Mr Shawn Huang Wei Zhong** asked the Minister for Education how will the Ministry manage the use of artificial intelligence (AI) bots such as ChatGPT in schools given the proliferation of AI toolkits.

Mr Chan Chun Sing: As with any technology, generative AI tools such as ChatGPT present both opportunities and challenges. When used appropriately, these tools can support students in their learning when students have mastered basic concepts and thinking skills.

The Ministry of Education (MOE) provides teachers with guidance and resources to effectively harness the use of digital technology to enhance learning, including the use of emerging technologies such as generative AI. Students are taught digital literacy skills and cyber wellness skills to use technology effectively in their learning.

Schools have adopted a range of practices to guard against the potential misuse of generative AI in learning. In their daily work, students are taught the importance of integrity and the harmful impact and consequences of plagiarism. In addition, through daily interactions with students and from using multiple modes of assessment, teachers are able to gauge students' proficiency and detect uncharacteristic responses that could be AI-generated.

MOE will continue to monitor the impact of these tools on learning and equip students with the skills and values to enable them to harness technology confidently and responsibly. Our approaches will evolve as we adapt to the use of new AI tools.

REASONS FOR WIDENING SALARY GAP BETWEEN UNIVERSITY AND NON-UNIVERSITY GRADUATES

27 **Mr Edward Chia Bing Hui** asked the Minister for Education (a) what is the Ministry's analysis of the reasons for the widening salary gap between university and non-university graduates; and (b) what are the plans to address this issue.

Mr Chan Chun Sing: Based on data from the Graduate Employment Surveys, while starting salaries have risen for all groups of graduates, the difference in median starting salaries between university and polytechnic graduates has increased by \$200 between 2016 and 2021. Over the same period, the difference in starting salaries between university and the Institute of Technical Education (ITE) graduates increased by \$300.

Differences in graduates' salaries can be a result of various factors such as the relative demand and supply of manpower, as well as differences in productivity, between jobs and sectors that different groups of graduates enter into. For example, digitalisation and COVID-19 have accelerated the growth of manpower demand and hence wages in the ICT sector, which has attracted an increasing proportion of degree holders.

While some differences are understandable, it is important that we ensure these differences do not widen significantly over individuals' lifetimes. Singaporeans must feel that there are opportunities to progress over their career regardless of differences in starting points.

Strong partnerships across different stakeholders are needed to address this issue. ITE and the polytechnics are working with MOE and other Government agencies, industry associations, leading employers and unions in key sectors to encourage more companies to better recognise the skills and competencies of our non-university graduates, provide them with quality internship training and access to jobs with good starting salaries and career prospects, and invest in their upskilling and career progression.

For example, the Infocomm Media Development Authority (IMDA) set up the TechSkills Accelerator for ITE and polytechnics (TIP) Alliance in 2022 comprising leading global and local companies, to drive the shift in hiring practices in the tech industry from one that is qualification-based to skills-based. Companies in the TIP Alliance commit to delivering structured, end-to-end pathways to support ITE and polytechnic graduates to enter tech roles, acquire training and certification on the job, and progress in their careers in tech. Similarly, the

Ministry of Trade and Industry has introduced the Accelerated Pathways for Technicians and Assistant Engineers (Manufacturing), or APT(M), grant to support manufacturing companies in hiring and training ITE graduates for critical Technician and Assistant Engineer roles, and providing them with career, skills progression and competitive salaries.

While our institutions continue to prepare our students well for the workforce and provide opportunities for continual upskilling throughout their careers, companies and employers must also play their part. This includes enterprise transformation to raise productivity, and committing to hire, train and reward workers fairly based on skills and competencies, rather than relying purely on their starting qualifications. Consumers must also be prepared to pay more for goods and services, to raise the wages of those who provide them.

PRIMARY 1 REGISTRATIONS MADE UNDER PHASE 2A AND 2B BROKEN DOWN BY TYPE OF ELIGIBILITY

28 Mr Chua Kheng Wee Louis asked the Minister for Education in each year over the last 10 years, what is the number of Primary 1 Registrations made under (i) Phase 2A and (ii) Phase 2B, with the respective breakdown in the type of eligibility.

Mr Chan Chun Sing: The proportion of children successfully registered in Phase 2A (formerly Phase 2A1 and Phase 2A2) increased from about 12% to 16% of the Primary 1 (P1) cohort over the past decade. The increase is attributed to children enrolled in MOE Kindergartens, who are eligible for Phase 2A in the co-located primary school. The proportion of other Phase 2A registrants such as former students and children of staff members were stable.

The proportion of children successfully registered in Phase 2B decreased from about 6% to 4% over the same period. This is due to a decrease in the number of parent volunteers, which schools select based on their needs. The proportion of other Phase 2B registrants which are endorsed members of religious groups or clans that had helped established these schools and children of active community leaders were stable.

BALLOTING IN PRIMARY SCHOOLS IN PHASE 2B IN 2022 AND VACANCIES VERSUS REGISTRANTS IN PHASE 2B IN LAST 10 YEARS

29 Mr Chua Kheng Wee Louis asked the Minister for Education (a) what is the number of primary schools that required balloting in Phase 2B during the 2022 Primary One Registration Exercise; and (b) in each year over the last 10 years, what is (i) the number of vacancies and (ii) the ratio of registrants to vacancies in Phase 2B respectively for these schools.

Mr Chan Chun Sing: In the 2022 P1 Registration Exercise, 33 schools balloted in Phase 2B. Over the past 10 years, the average number of Phase 2B vacancies in each of these schools was around 40 places and the average ratio of registrants to vacancies was 1.2.

PLANS TO LEVERAGE OF ARTIFICIAL INTELLIGENCE TECHNOLOGY TO SUPPORT LEARNING FOR STUDENTS

30 Miss Rachel Ong asked the Minister for Education whether there are plans to leverage on Artificial Intelligence technology similar to ChatGPT to support learning for students who may not have access to tutoring services or to complement the current education system.

Mr Chan Chun Sing: Students who require additional support in their learning have access to a range of support structures and programmes both physically and virtually, such as learning support programmes and after-school remedial lessons in smaller groups. In addition, students have access to a rich repository of resources in the Singapore Student Learning Space that they can use for self-directed learning.

ChatGPT and similar tools can be a useful tool to complement their learning. For example, students can use ChatGPT to explain concepts, to generate questions for practice, and to identify errors in their work. However, students should not use ChatGPT on its own as a substitute for guidance by their teachers as AI tools like ChatGPT can provide inaccurate or biased output, and they would have to critically assess the accuracy and objectivity of its output.

Our educators will continue to provide learning support to all students, through planning for engaging learning experiences, including technology-mediated learning ones where appropriate. The Ministry of Education will continue to guide teachers on the appropriate use of technological tools, and schools will also continue to equip students with digital literacy skills to enable them to harness technology confidently and effectively.

COMPLAINTS OF ABUSE OR NEGLECT OF CHILDREN MADE TO NATIONAL ANTI-VIOLENCE AND SEXUAL HARASSMENT HELPLINE

31 Mr Louis Ng Kok Kwang asked the Minister for Social and Family Development for each year in the past five years, how many and what percentage of the complaints made to the National Anti-Violence and Sexual Harassment Helpline of abuse or neglect of children are (i) reported to the Police (ii) referred to the Child Protective Services (iii) referred to Family Service Centres and (iv) referred to other social service agencies respectively.

Mr Masagos Zulkifli B M M: The National Anti-Violence and Sexual Harassment Helpline (NAVH) was launched in February 2021. It received about 2,200 and 2,400 enquiries related to abuse or neglect of children in 2021 and 2022 respectively.

Of these enquiries received by the NAVH, 17%, 10% and 23% were referred to MSF's Child Protective Service, Family Service Centres and other social and community agencies (for example, Protection Specialist Centres, schools, healthcare providers) respectively. Of the remaining enquiries, they were already receiving existing support services or were assessed to have no abuse or neglect concerns.

Eight percent of the enquiries received by NAVH on child abuse or neglect were reported to the Police concurrently.

NUMBER OF STUDENTS WITH CHRONIC ABSENTEEISM HELPED THROUGH ENHANCED STEP-UP PROGRAMME

32 **Mr Louis Ng Kok Kwang** asked the Minister for Social and Family Development in each year since the Enhanced Step-Up Programme (ESU) was introduced to provide support to students with chronic absenteeism to remain in school (a) how many cases have been referred by schools for the ESU; and (b) of these referrals, how many cases have not proceeded with the ESU because parental consent has not been obtained.

Mr Masagos Zulkifli B M M: Over the past five years from 2018 to 2022, schools referred about 2,200 cases to the Enhanced STEP-UP programme, or an average of 450 cases per year.

Parental consent is required before any case is referred to the ESU programme.

ENFORCEMENT ACTIONS AGAINST ABUSE OF CAR PARK LABEL SCHEME MEANT FOR DISABLED PERSONS OR THEIR CAREGIVERS

33 **Mr Melvin Yong Yik Chye** asked the Minister for Social and Family Development (a) over the past five years, what is the annual number of enforcement actions taken against the abuse of the Car Park Label Scheme which is provided for persons with physical disabilities or their caregivers with access to designated disabled parking spaces; and (b) whether the Ministry intends to step up public education to deter such abuses.

Mr Masagos Zulkifli B M M: Only vehicles with valid labels under the Car Park Label Scheme (CPLS) are allowed to park in accessible parking lots.

The number of summonses issued for the misuse of accessible lots in public car parks was 1,628 in 2018, 1,544 in 2019, 2,108 in 2020, 2,418 in 2021 and 1,821 in 2022.

We seek other drivers' support not to misuse accessible lots, so those with valid car park labels are able to use them. We will continue our public information efforts to deter misuse. Information on who is eligible to park in accessible parking lots can be found on signages near accessible lots and on SG Enable's Enabling Guide website. In addition, a hotline number to report illegal parking is also provided on the CPLS labels and on the Enabling Guide website.

SUFFICIENCY OF MANPOWER AND SPECIALISED SKILLS IN GOVERNMENT HOSPITALS AND MEASURES TO ATTRACT QUALITY PROFESSIONALS

34 **Mr Shawn Huang Wei Zhong** asked the Minister for Health (a) whether there are updates on the manpower and specialised skills status of the Government hospitals; (b) whether there is a projected manpower shortage in these hospitals in the short to medium term; and (c) what are the measures taken by the Ministry to ensure that the local healthcare industry continues to attract quality medical and healthcare workers.

Mr Ong Ye Kung: We need to continue to grow our healthcare manpower to meet the rising demand for healthcare services due to an ageing population. Nationally, the number of nurses, allied health professionals and support care staff will need to increase by around 3,000 annually, and the number of junior doctors will need to increase by around 700 annually.

There are several ongoing initiatives to meet our manpower needs. Our education institutions continue to nurture healthcare workers for the future, and the courses have been well sought after by students. Public healthcare institutions continue to train and develop their staff. We have in place various mid-career conversion programmes. We continue to improve and redesign our model of care and job responsibilities. We continue to actively recruit foreign healthcare workers to complement our local core workforce. In addition, we regularly monitor and review staff salaries in our public healthcare institutions to ensure that they continue to be competitive against the market.

TAKE-UP RATE OF COVID-19 VACCINATION FOR CHILDREN BELOW AGE FIVE AND NUMBER OF REPORTED ADVERSE REACTIONS

35 **Mr Dennis Tan Lip Fong** asked the Minister for Health (a) what is the take-up rate of COVID-19 vaccination for Singaporean children below the age of five; (b) what is the number of reported adverse reactions amongst this group of children who have undergone vaccination; and (c) whether the Ministry will include the vaccination status of children under five in the vaccination statistics published on its website.

Mr Ong Ye Kung: As of 31 January 2023, about 11% of Singapore Residents aged six months to four years have taken at least one dose of the Moderna/Spikevax or Pfizer-BioNTech/Comirnaty vaccine.

Health Sciences Authority (HSA) has reported that as of 31 December 2022, out of a total of about 16,448 vaccine doses administered, there were a total of five suspected serious adverse events, which is what we need to focus more on. This translates to a 0.03% incident rate. Incidence rate of adverse events (serious and non-serious) is 0.05%.

The Ministry of Health publishes the vaccination status of Singapore Residents, but had not yet included the youngest age group as their vaccination exercise had only started towards the end of last year. As more in this age group are taking up the vaccine, we will consider adding it to support our public health strategy.

ENSURING ETHICAL STANDARDS AMONGST THOSE WORKING IN MENTAL HEALTHCARE SECTOR

36 **Mr Melvin Yong Yik Chye** asked the Minister for Health what are the safeguards in place to ensure that ethical standards are being met by those working in the mental healthcare sector.

Mr Ong Ye Kung: There is a range of safeguards in place to ensure mental health services funded by the Ministry of Health (MOH) are safe, ethical and effective. For example, providers have to put in place care processes, clinical governance frameworks and regular audits. Professional standards are also regulated by the relevant professional boards and councils, such as the Singapore Medical Council (SMC) and the Singapore Nursing Board. The public may also provide feedback or lodge a complaint with MOH, the SMC or the relevant professional associations, if they have concerns over the clinical services provided by mental health professionals.

In addition, professional associations such as the Singapore Psychological Society and Singapore Association for Counselling have published guidelines on professional and ethical conduct for its members. The National Mental Health Competency Training Framework Workgroup, set up by MOH and the Ministry of Social and Family Development, is also developing a common set of training standards and competencies for mental health professionals and para-professionals.

IMPACT OF BIOSWALES AND RAIN GARDENS ON PREMATURE DETERIORATION OF EXTERNAL FINISHES OF HDB FLATS

37 **Assoc Prof Jamus Jerome Lim** asked the Minister for National Development whether HDB has investigated if the Biophilic Town Framework, specifically the incorporation of bioswales and rain gardens into precincts, may contribute to the premature deterioration of external finishes of HDB flats.

Mr Desmond Lee: Bioswales and rain gardens do not contribute to the formation of mould or lead to the premature deterioration of building façades, as they are installed away from the building edges. In addition, such water features do not retain permanent bodies of water. As naturalised drainage systems, they help to filter out the pollutants of surface run-off, after which the cleansed water is discharged into PUB's main drainage systems.

WARRANTY ON EXTERNAL PAINTWORK FOR NEW HDB BTO DEVELOPMENTS AND INCIDENCE OF WARRANTY CLAIMS

38 **Assoc Prof Jamus Jerome Lim** asked the Minister for National Development (a) when has the specification requiring a six-year warranty for external paintwork for new HDB BTO developments been adopted; (b) whether HDB monitors the incidence of warranty claims; and (c) since 2011, how many such claims have been made by Town Councils annually.

Mr Desmond Lee: The specification requiring a six-year warranty for external paintwork is stipulated in HDB's standard building specifications as far back as 2004. HDB's consultants on the ground will supervise the contractor's works to ensure that such requirements are met, and the correct work methods and materials are used.

Generally, after a block is handed over to the Town Council (TC) for maintenance, the building contractor must carry out rectification works should defects arise during the warranty period. HDB does not monitor the incidence of warranty claims made by TCs. Notwithstanding, HDB may assist TCs by advising on the contractor's contractual obligations outlined in the warranty requirements.

FACTORS ACCOUNTING FOR 74% INCREASE IN LAND DEVELOPMENT COSTS FOR HDB BTOS

39 **Mr Leon Perera** asked the Minister for National Development (a) what factors accounted for the approximate 74% increase in land development costs for HDB BTOS, from \$1,816 million in FY2020/21 to \$3,167 million in FY2021/2022; and (b) what proportion of the increased spending was due to a higher cost of acquiring land as opposed to a larger volume of flats built or other factors.

Mr Desmond Lee: The total land development cost of HDB's Home Ownership Programme in a given financial year depends on several factors, including the location of the land parcels, the prevailing market value of these land parcels when they were purchased, and the total number of flats completed and delivered to buyers from these land parcels.

A large part of the increase in total land cost between FY2020/2021 and FY2021/2022, is due to the increase in the number of units delivered to buyers in FY2021/2022. In FY2021/2022, 13,506 units were delivered to buyers, a 66% increase as compared to the 8,124 units delivered to buyers in FY2020/2021.

Table 1: Home Ownership deficit and breakdown of Cost of sales*

S/N	Breakdown of Cost of sales for sales completed	FY2019/20 (\$m)	FY2020/21 (\$m)	FY2021/22 (\$m)
(A)	Home Ownership Deficit	2,232	1,953	3,850
(B)	Land development costs	2,349	1,816	3,167
(C)	Building development costs	1,598	1,161	2,077
(D)	Other costs (largely from cost of flats acquired from ex-flat owners)	142	88	102
(E)	Cost of sales [Number of units delivered to buyers]	4,089 [11,609 units]	3,065 [8,124 units]	5,346 [13,506 units]

* Based on sales completed (i.e. keys issued to buyers) within the FY.

On average, the land development cost per unit has increased by 5% between FY2020/2021 and FY2021/2022. The increase in the per unit land development cost can be attributed to the increase in the proportion of units delivered in mature estates, which tend to have a higher per unit land cost compared to non-mature estates, and the increase in proportion of larger flat types in non-mature estates delivered in FY2021/2022, which translated to a higher per unit land cost in non-mature estates. For example, there was a higher number of units delivered in mature estates such as Queenstown and Toa Payoh in FY 2021/2022 compared to FY 2020/2021.

CORPORATE CULTURE IN SPH MEDIA TRUST

40 **Ms Hazel Poa** asked the Minister for Communications and Information whether there are reasons to be concerned about the corporate culture within SPH Media Trust given that it will be Government-funded and that integrity and credibility is of utmost importance to a news media.

Mrs Josephine Teo: This question has been addressed in my reply to Question Nos 2 to 18 for oral answer on the Order Paper for 6 February 2023. [*Please refer to "Government's Response to SPH Media Trust's Inflated Circulation Numbers", Official Report, 6 February 2023, Vol 95, Issue 81, Oral Answers to Questions section.*]

LEGAL SAFETY NETS FOR COMPANIES AND INDIVIDUALS AGAINST NON-DISCLOSURE OF SPONSORED SOCIAL MEDIA CONTENT

41 **Miss Rachel Ong** asked the Minister for Communications and Information what are the legal safety nets for companies and individuals against social media influencers or companies that do not make disclosures on sponsored social media content.

Mrs Josephine Teo: The Advertising Standards Authority of Singapore (ASAS), a self-regulatory body of the advertising industry under the Consumers Association of Singapore (CASE), promotes ethical advertising in Singapore through the Singapore Code of Advertising Practice (SCAP).

ASAS's Guidelines on Interactive Marketing Communication and Social Media further sets out the standards of ethical conduct that are to be adopted by marketers, advertising agencies or media that are involved in social media marketing. This includes social media influencers or companies. The Guidelines stipulate that the disclosures for sponsored content on social media should be clear and prominent. ASAS regularly engages the industry and social media influencers to increase their awareness of these Guidelines. Those who post commercial content without disclosing that they are sponsored are in breach of the Code, and will be asked by ASAS to amend or remove their content. Such advertisers have so far complied to include the disclosure in their content.

The Consumer Protection (Fair Trading) Act (CPFTA) also seeks to protect consumers against unfair practices, including non-disclosures of sponsorship for social media content to the extent that it misleads or deceives consumers in relation to a consumer transaction. Social media influencers or companies that persistently engage in such unfair trade practices could be referred to the Competition and Consumer Commission of Singapore (CCCS) for investigation.

ASAS is in the process of reviewing the SCAP and its Guidelines to ensure they remain relevant in the evolving advertising landscape. Consumers are encouraged to remain vigilant and discerning to make informed choices about products and services that are promoted on social media.

UPDATE ON IMPROVING LIVING CONDITIONS IN MIGRANT WORKER DORMITORIES

42 **Mr Christopher de Souza** asked the Minister for Manpower whether an update can be provided on the Ministry's plan to transition existing migrant worker dormitories to improved standards to strengthen public health resilience and improve living conditions.

43 **Mr Christopher de Souza** asked the Minister for Manpower whether an update can be provided on the current living conditions in migrant worker dormitories to ensure the health and safety of all workers.

Dr Tan See Leng: The Ministry of Manpower (MOM) has taken several steps over the past few years to improve living conditions and the health and safety of migrant workers.

New dormitories approved from September 2021 onwards are required to meet enhanced living and public health standards such as larger living space per resident, in-room Wi-Fi facilities, en-suite toilets, better ventilation in rooms, dedicated bed spaces for isolation purposes, and wastewater surveillance. Six Quick Build Dormitories built in 2021 that meet these new standards continue to be in operation and provide accommodation to migrant workers. Furthermore, we are pressing on with plans to build more Purpose-Built Dormitories (PBDs), which will adhere to the new standards. MOM will also be building and owning two new PBDs, which will be operated by a new corporate entity in partnership with the private sector. These dormitories will have enhanced features that build on the improved standards for new dormitories. They will also provide MOM with the opportunity to innovate and pilot new ideas for public health resilience and dormitory living to improve the lived experience of migrant workers.

MOM is currently working closely with stakeholders to develop a transition plan for existing dormitories to transit to improved standards. This will take into consideration what existing infrastructure in the dormitories can support, as well as the potential disruptions to dormitory bed supply. MOM will announce the transition plan when ready.

MOM also actively inspects dormitories and proactively addresses issues concerning living conditions. MOM's Forward Assurance and Support Teams (FAST), first deployed during the Circuit Breaker in 2020, proactively and regularly visit dormitories to engage migrant workers about their overall well-being, and work with both workers and dormitory operators to resolve issues pertaining to living conditions in a timely manner.

In addition, MOM introduced the Primary Care Plan in April 2022, giving migrant workers access to quality and affordable primary healthcare services, including telemedicine that they can easily access from their dormitories.

NUMBER OF SINGAPOREANS ABOVE AGE 65 IN EMPLOYMENT, THEIR SALARY RANGE AND INDUSTRIES

44 **Mr Leong Mun Wai** asked the Minister for Manpower (a) as of December 2022, how many Singaporeans above age 65 are still working; (b) how many of them earn (i) less than \$2,500 (ii) between \$2,500 and \$4,000 and (iii) above \$4,000 per month; and (c) what are the top five industries they are working in.

Dr Tan See Leng: Around 207,000 residents aged 65 and over were employed in 2022, equivalent to an employment rate of 31%. This is high compared to OECD countries and is probably the result of the high life expectancy of Singaporeans. The breakdown by their incomes is in the table below.

Employed Residents Aged 65 Years and Over, by Gross Monthly Income From Work (Excluding Employer CPF), and by Nature of Employment, June 2022

	Total (thousands)	Full-Time (thousands)	Part-Time (thousands)
Total	207.3	138.7	68.6
Less than \$2,500	142.4	81.9	60.5
\$2,500 to \$3,999	27.1	24.0	3.1
\$4,000 & Over	37.8	32.8	5.0

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

A third of the 207,000 employed residents aged 65 and over were working part-time. In particular, of the employed residents aged 65 and over who earned less than \$2,500 per month, 42% of them were part-time workers. Part-time workers tend to earn less, considering fewer hours worked and the nature of jobs offered.

The top five industries employing the most resident workers aged 65 and over in 2022 were wholesale and retail trade, administrative and support services, transportation and storage, accommodation and food services, and manufacturing.

MEASURES TO MAINTAIN RACIAL HARMONY AND SECURITY IN MIGRANT WORKERS DORMITORIES

45 **Mr Zhulkarnain Abdul Rahim** asked the Minister for Manpower (a) what are the measures taken to maintain harmony and security in dormitories which house migrant workers from different nationalities, ethnicities and backgrounds; and (b) whether there are any proactive steps to promote multi-racial and ethnicity harmony among residents in these dormitories.

Dr Tan See Leng: The Ministry of Manpower (MOM) pays close attention and emphasis to ensure harmonious relations amongst migrant workers living in dormitories through various measures.

First, all newly arrived work permit holders are required to attend the Settling-in Programme (SIP) to introduce them to Singapore laws and social norms, including the importance of living and working harmoniously with people of different races and religions. The SIP is conducted in the workers' native languages to aid understanding.

MOM also works closely with non-governmental organisations (NGOs), dormitory operators, employers, and community partners to organise regular social activities for our migrant workers at the dormitories and the Recreation Centres. This includes festive occasions such as Chinese New Year, Hari Raya Puasa and Deepavali and the International Migrants' Day where migrant workers regardless of nationalities and ethnicities can participate in these cultural and religious celebrations. These activities serve as an opportunity for migrant workers of different nationalities to be more aware and appreciate different cultures.

To deepen engagement and strengthen social support for our migrant workers, MOM had established the Friends of ACE (FACE) Network, which comprise of migrant worker volunteers who serve as a bridge between their peers and MOM. These FACE volunteers who are residents in the dormitories can identify and surface ground sentiments and concerns for early intervention.

To maintain a safe and harmonious living environment, dormitory operators are mindful and alert to the religious and cultural sensitivities of the various ethnic groups. They are required to put in place measures to minimise potential conflicts amongst residents and respond swiftly to manage any incident affecting the safety, security or well-being of residents. MOM takes a serious view on civil disturbances in the dormitories by any migrant worker using violence and will revoke the work pass and permanently bar them from employment in Singapore.

**CORRECTION BY WRITTEN STATEMENT
CLARIFICATION BY MINISTER FOR HOME AFFAIRS AND LAW**

(Written Statement)

The following statement was made in the reply given by the Minister for Home Affairs and Law (Mr K Shanmugam) during the oral reply for Parliamentary Question Nos 5 and 6 at the Sitting of 7 February 2023:

The Minister for Home Affairs and Law (Mr K Shanmugam): In such a case, the Police can only intervene if there is a threat of imminent danger or violence or assault or something along those lines. [*Please refer to "[Reviewing Police's Operating Procedures to Minimise Occurrences of Wrongful Arrest](#)", Official Report, 7 February 2023, Vol 95, Issue 82, Oral Answers to Questions section.*]

Written statement by Mr K Shanmugam circulated with leave of the Speaker in accordance with Standing Order No 29(5):

I wish to make the following factual correction to the reply given during the oral reply for Parliamentary Question Nos 5 and 6 at the Sitting of 7 February 2023. My reply should read as follows:

The Minister for Home Affairs and Law (Mr K Shanmugam): In such a case, the Police can only intervene if there is a threat of **danger** or violence or assault or something along those lines.

VERNACULAR SPEECHES

Vernacular Speech by Ms Carrie Tan()

Vernacular Speech by Ms Hazel Poa()

Vernacular Speech by Ms Carrie Tan()

Vernacular Speech by Mr Leong Mun Wai()

Vernacular Speech by Mr Leong Mun Wai()

Vernacular Speech by Ms Nadia Ahmad Samdin()

Vernacular Speech by Assoc Prof Dr Muhammad Faishal Ibrahim()

Vernacular Speech by Ms Sim Ann()

Vernacular Speech by Mr Abdul Samad()

Vernacular Speech by Mr Leong Mun Wai()