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PARLIAMENTARY DEBATES

SINGAPORE

OFFICIAL REPORT

FOURTEENTH PARLIAMENT

FIRST SESSION

Friday, 24 February 2023

The House met at 11:30 am

VOLUME 95

NO 86

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.

Mr S Iswaran (West Coast), Minister for Transport and Minister-in-charge of Trade Relations.

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.

Prof Koh Lian Pin (Nominated Member).

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 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 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).

Dr Tan Yia Swam (Nominated Member).

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 Tharman Shanmugaratnam (Jurong), Senior Minister and Coordinating Minister for Social Policies.

Mr Raj Joshua Thomas (Nominated Member).

Ms Tin Pei Ling (MacPherson).

Mr Edwin Tong Chun Fai (Marine Parade), Minister for Culture, Community and Youth and Second Minister for Law.

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 K Shanmugam (Nee Soon), Minister for Home Affairs and Law.
Ms Hany Soh (Marsiling-Yew Tee).

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 K Shanmugam	22 Feb	01 Mar
Ms Hany Soh	23 Feb	24 Feb
Dr Tan Wu Meng	23 Feb	24 Feb

[Deputy Speaker (Mr Christopher de Souza) in the Chair]

ORAL ANSWERS TO QUESTIONS

INQUIRY INTO DEATH OF SCDF NSF FIREFIGHTER IN DECEMBER 2022

1 **Mr Murali Pillai** asked the Minister for Home Affairs whether an independent Board of Inquiry will be convened to investigate the circumstances leading to the death of the SCDF NSF firefighter who died during the firefighting operation on 8 December 2022 with a view to determine the contributing factors that led to his death and make recommendations to rectify any lapse in the firefighting operation that may be uncovered from the review.

The Minister of State for Home Affairs (Assoc Prof Dr Muhammad Faishal Ibrahim) (for the Minister for Home Affairs): Sir, the Police are currently investigating into the death of SGT1 Edward Go.

When investigations are completed, the Police will inform the Coroner of their findings. The Coroner will consider the Police's investigations and make a finding on the circumstances relating to SGT1 Go's demise.

We have decided that we will also convene a Board of Inquiry (BOI) under the Civil Defence Act to conduct a review of the incident. Since the BOI is also a fact-finding body, it will be held after the Coroner's findings are established. The BOI will then also be able to consider the Police and the Coroner's findings, in its assessment of the matter.

The BOI will submit its report to the Minister for Home Affairs (MHA) and we will share the Board's findings and recommendations at an appropriate juncture.

Mr Deputy Speaker: Mr Murali Pillai.

Mr Murali Pillai (Bukit Batok): Mr Deputy Speaker, Sir, I am glad to note the decision of MHA to convene a BOI to look into the circumstances of the unfortunate death of SGT1 Edward Go. May I just ask, in terms of timing, why is it preferred that the BOI be convened to commence its inquiry after the conclusion of the Coroner's inquiry case?

I say this because to my knowledge, when it comes to deaths that are being investigated by the Committee of Inquiry set up by the Armed Forces Council under the Singapore Armed Forces Act, these things happen in tandem. The inquiries are not necessarily the same as well.

Assoc Prof Dr Muhammad Faishal Ibrahim: Essentially, it depends on the circumstances of the matter. In this case, we find that we are going to have the Police investigations as well as the Coroner's investigations. And at the end of the day, both of them are looking at the different aspects of it.

We know the Coroner's findings will reveal the how, when and where the death happened. And with regard to the Police investigations, there will also be further insights to it. We think that it is better for the BOI to look at all these findings and make its assessment.

Mr Deputy Speaker: Mr Dennis Tan, you have a supplementary question?

Mr Dennis Tan Lip Fong (Hougang): Yes, Deputy Speaker. Just a clarification for the Minister of State. He mentioned about the Coroner's findings. Can I just get the clarification that there will be a Coroner's inquiry held in public for this incident leading to the death of the NSF?

Assoc Prof Dr Muhammad Faishal Ibrahim: Yes, there will be, as I shared in my answer. It will be revealed to the public and it will be public information. At the same time, we will also share the findings of the BOI. At a certain juncture, once we have completed, we will inform the public.

IMPACT ON SINGAPORE DUE TO EU BAN ON RUSSIAN OIL PRODUCT EXPORTS

2 **Mr Dennis Tan Lip Fong** asked the Minister for Trade and Industry (a) how does the latest EU ban on Russian oil export products from 5 February 2023 affect the import, trading, storage, blending and handling of Russian oil products in Singapore including Singapore-based terminals and facilities as well as at its Outside Port Limits (OPL) waters; and (b) whether Singapore is reviewing its position in light of the latest EU ban.

The Minister of State for Trade and Industry (Ms Low Yen Ling) (for the Minister for Trade and Industry): Mr Deputy Speaker, the EU ban prohibits seaborne Russian crude oil and petroleum products into the EU territory. It also prohibits EU vessels and companies from carrying these products into third countries and providing related services, if the price of these products is higher than the stipulated price. This price is one that is determined by the EU and other countries participating in the prohibition.

Singapore's sanctions and restrictions imposed on Russia are specific and targeted, for the purpose of constraining Russia's capacity to conduct war against Ukraine. Our approach is founded on the principles of international law and non-violation of sovereignty as well as territorial integrity and this remains unchanged. Our measures cover export controls on specific items to Russia, such as military goods and dual-use goods that can be used to inflict injuries on Ukrainian citizens, as well as financial measures, which, inter alia, prohibit financial institutions in Singapore from dealing with designated Russian banks and the financing of the above-mentioned goods.

While Singapore is not a participant of the EU ban, companies and the financial institutions in Singapore have been informed of the ban that is imposed by the EU and other countries, via circulars issued by the relevant Government agencies. This is so that they are aware of such measures and can consider and manage any potential impact on their business activities, transactions and customer relationships accordingly.

SINGAPORE'S SUPPORT FOR GLOBAL CONSERVATION TARGETS SET AT COP15 BIODIVERSITY CONFERENCE

3 **Mr Leon Perera** asked the Minister for National Development whether Singapore will be funding efforts to support the "30 by 30" global conservation targets established at the COP15 biodiversity conference in lieu of Singapore's limited capacity to increase protected land.

The Senior Minister of State for National Development (Mr Tan Kiat How) (for the Minister for National Development): Mr Deputy Speaker, Singapore will work closely with other countries to support and implement the Kunming-Montreal Global Biodiversity Framework adopted at the UN Biodiversity Conference in December 2022. Countries are expected to contribute towards the global targets under this Framework according to their national circumstances, priorities and capabilities.

For example, Singapore contributes towards regional conservation efforts by sharing our technical expertise in areas such as protected area management and conservation. We have also designated the Sungei Buloh Wetland Reserve and Bukit Timah Nature Reserve as ASEAN Heritage Parks under the ASEAN Heritage Parks Programme, which recognises these as protected areas of high conservation importance.

As a responsible global citizen, Singapore will continue to play our part, while taking into account our unique circumstances as a small, densely populated city state. As part of our City in Nature efforts, we are safeguarding more green spaces where possible, establishing additional nature parks, and restoring core habitats. The Singapore Index on Cities' Biodiversity assists cities worldwide to monitor the progress of their conservation efforts.

Mr Deputy Speaker: Mr Leon Perera.

Mr Leon Perera (Aljunied): I thank the Senior Minister of State for his reply. With reference to the Montreal event, COP15, some developed countries have pledged to make a financial contribution to support other developing countries, for example, in Africa, to protect biodiversity. Given the limitations that we face to protect our green spaces – as the Minister of State observed, we are a small, densely populated city state – would the Government consider reviewing in the future if it could make financial contribution to other countries to protect biodiversity specifically, given this is a good signal to send that we are committed to playing our part globally?

Mr Tan Kiat How: Mr Deputy Speaker, I thank the Member for the supplementary question. I would like to reiterate Singapore's commitment to the global effort to conserve biodiversity around the world. In fact, Singapore is seen by many countries and regions as playing an active thought-leadership role within biodiversity conservation.

For example, I mentioned the Singapore Index on Cities' Biodiversity, or the Singapore Index for short. It is one contribution Singapore has made to the collective thought-leadership on how we should look at conserving our biodiversity, especially in cities.

To the point that the Member has raised on the Kunming-Montreal Global Biodiversity Framework, there are 23 action targets under this Framework. For example, there are targets looking at integrating biodiversity as part of spatial planning in cities and countries; looking at ensuring urgent management to halt human-induced extinction of known threatened species in our environment, and so on and so forth. These 23 targets are all very ambitious, meaningful and worthwhile targets. The "30 by 30" is one of the targets, Target 3 under the Framework, and Singapore is actively contributing to that global target.

In fact, as part of an earlier Parliamentary Question (PQ) by another Member Mr Louis Ng, we also shared with the House that National Parks Board (NParks) is working closely with relevant agencies and stakeholders – for example, our local biodiversity groups and different non-governmental organisations (NGOs) – to update our National Biodiversity Strategy and Action Plan, and to develop national targets to further contribute to this Kunming-Montreal Global Biodiversity Framework. As part of this process, we aim to submit our updated Plan prior to the 16th meeting of the Conference of Parties (COP) to the Convention on Biodiversity in 2024.

So, as part of this holistic response, we will look at different suggestions and ideas. But certainly, we want to continue playing an important role as a responsible global citizen.

PROTOCOLS AND FEE LEVELS FOR COVID-19 TREATMENT ADMINISTERED BY PRIVATE PRACTITIONERS

4 **Mr Yip Hon Weng** asked the Minister for Health in view of the Multi-Ministry Taskforce's announcement on 9 February 2023 (a) with subsidies, how much is the average Singaporean expected to pay for COVID-19 treatment; (b) whether general practitioners are free to set their own treatment fees for mild COVID-19 symptoms; and (c) whether the Ministry will make publicly available the subsidised and unsubsidised costs of COVID-19 treatments.

5 **Mr Yip Hon Weng** asked the Minister for Health (a) whether patients who have been diagnosed with long COVID prior to the implementation of the new COVID-19 financing arrangements in April 2023 will continue to be covered under the current provisions; and (b) for patients who require admission into the intensive care unit for severe COVID-19 or need prolonged treatment for long COVID, what additional subsidies, aside from Government subsidies, MediSave, MediShield Life, MediFund, and CareShield Life, will be available.

6 **Mr Yip Hon Weng** asked the Minister for Health in view of the Multi-Ministry Task Force's announcement on 9 February 2023 that COVID-19 treatments will no longer be fully subsidised, what are the measures taken to encourage the public, especially the elderly, to continue seeking timely medical attention.

The Senior Parliamentary Secretary to the Minister for Health (Ms Rahayu Mahzam) (for the Minister for Health): Mr Deputy Speaker, may I have your permission to answer Question Nos 4 to 6 in today's Order Paper together?

Mr Deputy Speaker: Yes, please do.

Ms Rahayu Mahzam: We are able to transit to DORSCON Green because of the strong resilience built up through hybrid immunity of vaccinations and safe recovery from COVID-19. This means we are no longer treating COVID-19 as a special category of disease, with special clinical protocols and subsidies.

Hence, like all diseases, doctors will treat COVID-19 patients based on their clinical assessment and severity of illness. This means they will also charge treatment fees similar to other acute respiratory diseases, which is currently about \$20 to \$35 for subsidised patients at the polyclinics. Patients with lasting symptoms – that is, long COVID-19 – will be cared for and supported in the same way as patients experiencing lingering effects of other respiratory diseases. All patients with infectious diseases, COVID-19 or otherwise, will be encouraged to seek treatment promptly and exercise social responsibility.

It is noteworthy that after three years of the pandemic, the vast majority of COVID-19 patients experience mild symptoms and are not expected to require a hospital admission. For the minority that require an inpatient admission, they will be supported by our S+3M framework, that is, subsidies, MediShield Life, MediSave and MediFund.

The Member asked what other assistance are available that is beyond S+3M. The fact is S+3M is already designed to fully cover the bills for patients with financial difficulties. To illustrate, for a patient who is admitted to a C class ward for COVID-19, the median co-payment after subsidies and MediShield Life is about \$700, which patients can pay for using their MediSave. For those who are unable to use MediSave and have difficulty with cash payment, there is MediFund to help. The same applies to ICU stay, which is very rare for COVID-19 patients now.

Mr Deputy Speaker: Mr Yip.

Mr Yip Hon Weng (Yio Chu Kang): Thank you, Mr Deputy Speaker. I declare that I am working in an investment firm and I am involved in a consortium that manages COVID-19 Community Isolation Facilities.

I have two supplementary questions. How does MOH intend to communicate the subsidised and unsubsidised costs of COVID-19 treatment, long COVID treatments as well as the stay in Community Isolation Facilities to our residents? Second, if residents are unable to pay for such treatments, especially for long COVID that may last awhile, what assurances can the Government give that medical care will not be denied?

Ms Rahayu Mahzam: I thank the Member for the question. I want to reiterate the point that I made earlier which is: as a function of endemicity, we have to go back to status quo. That means that there is no special treatment given for COVID-19 as an illness. We will continue as per normal in providing the services and all these, any changes or any developments, we will continue to provide advisory to the residents and to people at large.

Generally, what we hope to see, is basically people taking care of their own health, their responsibility for that and continue to follow the advisory. For example, we have issued an advisory for the vulnerable group, recently, in February, encouraging them to take the booster and for those who are immunocompromised to do so as well. The issue about the concerns with regards to costs, same thing, we always had a framework of subsidy and support, as I mentioned earlier, S+3M and this will continue. Those who are concerned about that, I think they do not have to be concerned because whenever you have difficulties making payment for your bills, there is always that support that is available and we want to assure that that remains true.

DISCLOSING PUBLIC SECTOR SCOPE 3 EMISSIONS UNDER GREENGOV.SG INITIATIVE

7 Mr Leon Perera asked the Minister for Sustainability and the Environment whether the Government will disclose public sector Scope 3 emissions under the GreenGov.SG initiative.

The Minister for Sustainability and the Environment (Ms Grace Fu Hai Yien): Mr Deputy Speaker, we are not requiring disclosure of Scope 3 emissions at this stage of implementing our reporting framework. We will refine our framework as we strive to reduce our emissions and develop greater capability within the public service for tracking and reporting.

Mr Deputy Speaker: Mr Leon Perera.

Mr Leon Perera (Aljunied): I thank the Minister for her replies. Is there a timeline within which the Government will be looking to consider introducing reporting of Scope 3 emissions, because the Minister mentioned that this is going to be reviewed progressively.

Ms Grace Fu Hai Yien: Thank you, Mr Deputy Speaker. I would like to speak more about this topic in the upcoming Committee of Supply (COS) debate. At this point in time, just like to reiterate that we are not requiring disclosure of Scope 3 emissions.

Mr Deputy Speaker: Mr Leon Perera, next question or supplementary question?

Mr Leon Perera: Question No 8, please, Sir.

SINGAPORE'S CONTRIBUTION TO LOSS AND DAMAGE FUND SET UP IN COP27

8 Mr Leon Perera asked the Minister for Sustainability and the Environment (a) whether Singapore will be contributing to the Loss and Damage Fund set up in COP27; (b) if yes, what is the quantum of Singapore's contributions and how is the quantum arrived at; and (c) if not, what are the reasons behind the decision.

The Minister for Sustainability and the Environment (Ms Grace Fu Hai Yien): Mr Deputy Speaker, Singapore, as part of the Alliance of Small Island States, along with other developing countries, has long called for the establishment of a Loss and Damage fund. According to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) Working Group II, climate change is already causing widespread loss and damage. Close to half of the world's population live in contexts that are highly vulnerable to climate change. Of note, small island states like Singapore are disproportionately affected by sea level rise and are at risk of submergence by century's end, if nothing is done to prevent it. Such scenarios present an urgent need to channel financial resources towards building adaptive capacity and addressing loss and damage. We were therefore pleased that developed countries agreed to support this call at COP27 last year.

A Transitional Committee has been tasked to make recommendations by COP28 on the details of the fund, taking into consideration the views of all stakeholders. Singapore will engage constructively with the Transitional Committee.

A key guiding principle is that countries that have caused and are most responsible for climate change must take the lead in supporting vulnerable communities to avert, minimise and address climate-related loss and damage. The Paris Agreement, which was ratified by more than 190 countries, including Singapore, also reaffirms this obligation of developed countries to mobilise climate finance for developing countries.

Mr Deputy Speaker: Mr Leon Perera.

Mr Leon Perera (Aljunied): I thank the Minister for her reply and my apologies if I did not catch this, but I am not sure if she mentioned whether Singapore will be making a financial contribution to the Loss and Damage fund under COP27. So, I would like to ask that. And also, if that is going to be the case, what that quantum of that contribution is and if not, what the reasons for not making the contribution are?

Ms Grace Fu Hai Yien: Mr Deputy Speaker, I would like to repeat my reply which is: A Transitional Committee has been tasked to make recommendations by COP28 on the details of the fund, taking into consideration the views of all stakeholders. Singapore will engage constructively with the Transitional Committee.

Mr Deputy Speaker: Mr Perera.

Mr Leon Perera: Thank you, Mr Deputy Speaker, Sir. I thank the Minister for her reply. I think the Minister would be aware that I believe, seven countries have made a provisional pledge of I believe, US\$275 million and those countries include if I am not wrong Germany, United Kingdom, Austria, Belgium, Canada, and New Zealand. So, to rephrase my question, would Singapore be pledging to contribute to the fund, bearing in mind that the details are still being worked out.

Ms Grace Fu Hai Yien: Mr Deputy Speaker, I do not want to repeat my reply but the gist of my reply is that the Loss and Damage fund, is a recognition of the plight of the developing countries, which is a group that Singapore belongs to. We emit 0.1% of global carbon emissions, but are affected by 100% of all the impacts of climate change. So, actually, it is a discussion about developed countries, which Member Leon Perera had referred to, for example, Germany, UK and so on, and a recognition of their responsibility to the developing countries and Singapore belongs to the latter group.

Mr Deputy Speaker: Mr Don Wee and then Mr Leon Perera.

Mr Don Wee (Chua Chu Kang): I thank the Minister for her comprehensive reply. Many small and medium enterprise (SME) owners had informed me that they are actually affected by the climate change although their buyers may be overseas. So, I do hope that the Ministry for Sustainability and Environment (MSE) can consult the SMEs when setting up this fund.

Ms Grace Fu Hai Yien: Mr Deputy Speaker, I would like to assure Mr Don Wee, at this point in time, there is no linkage between this fund and the companies in Singapore.

Mr Deputy Speaker: Mr Leon Perera.

Mr Leon Perera: Mr Deputy Speaker, I am not sure the Minister has directly addressed the question I raised. I would like to put it again, will the Government be either now or eventually making a financial contribution to the Loss and Damage fund? Or is it the case that the Government is still thinking about that? And if so, then is it the case that it is not a definite no right now and there could be a financial contribution that the Government makes to this fund eventually.

Ms Grace Fu Hai Yien: Mr Deputy Speaker, two points.

First of all, a Transitional Committee will be set up to discuss this issue. What does it include? What are the terms of the fund? Who will be contributing to it? How can developing countries draw from it? All these details have yet to be discussed.

Secondly, Singapore stands on the side of, we belong to the group of developing countries and therefore stand as a potential claimant from this Loss and Damage fund. But we are already doing our own adaptation. We are coming up with resources. In fact, we are dedicating a significant part of financial resources – we estimated up to S\$100 billion dollars and that is diverting a lot of financial resources away from other urgent needs. I think we should really look at what is needed for us to adapt and also, how can we prevent such loss and damage from climate change from impacting our own properties and our own institutions.

Mr Deputy Speaker: Mr Leon Perera, may I invite you to ask your last supplementary question.

Mr Leon Perera: Mr Deputy Speaker, my last supplementary question, just to confirm my understanding of the Minister's reply. I believe what she is saying is that, this matter is still being studied, it is not a no, and the Government of Singapore may make a financial contribution to the Loss and Damage fund in the future. Is that the correct understanding?

Ms Grace Fu Hai Yien: The understanding is that we have not even had a chance to discuss this internationally and we have to decide whether we will contribute or we will claim from this fund.

11.55 am

Mr Deputy Speaker: Order. End of Question Time. Introduction of Government Bills. Minister for Home Affairs.

BILLS INTRODUCED

MISUSE OF DRUGS (AMENDMENT) BILL

"to amend the Misuse of Drugs Act 1973 and to make consequential and related amendments to certain other Acts.",

presented by the Minister of State for Home Affairs (Assoc Prof Dr Muhammad Faishal Ibrahim) on behalf of the Minister for Home Affairs read the First time; to be read a Second time on the next available Sitting on or after 20 March 2023 and to be printed.

CONSTITUTION OF THE REPUBLIC OF SINGAPORE (AMENDMENT) BILL

"to amend the Constitution of the Republic of Singapore.",

recommendation of President signified; presented by the Minister of State for Home Affairs (Assoc Prof Dr Muhammad Faishal Ibrahim) on behalf of the Minister for Home Affairs read the First time; to be read a Second time on the next available Sitting on or after 20 March 2023 and to be printed.

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

DEBATE ON ANNUAL BUDGET STATEMENT

Order read for Resumption of Debate on Question [14 February 2023] [3rd Allotted Day]

Question again proposed.

Mr Deputy Speaker: Miss Rachel Ong.

11.57 am

Miss Rachel Ong (West Coast): Mr Deputy Speaker, may I first thank Deputy Prime Minister Lawrence Wong and his team for setting up a thoughtful Budget 2023, with a focus on honouring both people and sustainable outcomes for Singapore. I am glad to share that many residents affirm the measures, especially those that support young families in making housing more accessible for them.

Budget 2023 also address enhanced employment support for the seniors, the lower-income, persons with disabilities and ex-offenders, which many of us welcome. In line with that, may I respond to the Budget statement by highlighting a need for a specific group of people that we should not miss: employment support for caregivers of people with severe disabilities.

In my brief time serving in the Purple Parade, a movement that supports inclusion and celebrates the abilities of persons with disabilities (PwDs), I have had the joy to meet some of the most inspiring PwDs and their caregivers. One of these outstanding groups are the people at the Rare Disorders Society (Singapore), also known as RDSS.

About 2,500 people are estimated to have a rare disease in Singapore. When we include their immediate family members, we are looking at approximately 7,500 people directly impacted by rare disorders. These members are not large, in light of the many competing needs in Singapore, and yet, for the same reason, it is easy for their real and valid needs to be overlooked.

Many caregivers of people of severe disabilities want to seek employment due to the high and ongoing expenses from their children's or ward's treatment, especially if they stem from rare disorders. The severity of disability means that their wards are not work-capable and need to be cared for consistently.

Due to the rarity of their illness, the cost of treatment can be extremely high. As Minister for Health Ong Ye Kung stated last November, medicines for rare disease patients can exceed \$200,000 per patient annually. In the United States, the average annual cost of treatment per patient in 2019 was \$42,000, with treatments ranging from \$8,000 to \$670,000 per year.

While there are various Government schemes and charities that provide generous grants and subsidies that may alleviate some of these costs, the financial burden remains great on the caregivers, especially if one parent has to stop work to become the main caregiver to their child. For these group of Singaporeans, finding work and work presents itself with great challenges.

First, limited reliable caregiving options. Respite care for people with severe disabilities is hard to come by due to the unique medical conditions they have. While there are various daycare centres for PwDs, very few are for people with severe multiple disabilities, such as those of the members of the rare disorders' community. As such, short of having an available grandparent or a helper to care for their child, it will not be possible for both parents to stay at work.

I take heart that the Ministry for Social and Family Development's (MSF) Enabling Masterplan 2030 includes the establishment of Enabling Services Hub, to provide respite care and engage PwDs in the community. On behalf of the caregivers of people with disabilities, I would like to sincerely appeal to the team looking into the service offerings of the hubs, to consider the needs of people with severe disabilities who are not work-capable, and so, expand the provision of respite care that is much needed for the caregivers of this group.

Second, limited flexible work options. Some of these caregivers may require daily visits to hospital for treatments for their ward, while others need to be responsive to sudden accidents and emergencies. As such, jobs with flexible work arrangements (FWAs) are the only viable options for them. These refer to jobs that allow for work-from-home (WFH), provide flexible timing or shift work that allows caregivers to work at night.

At the same time, because of their need for FWAs, caregivers tend to be streamlined to certain job roles that are generally more administrative and many times, as a consequence, jobs that pay less per hour. While many of the caregivers are educated and competent individuals with a range of skills to offer, in order to supplement the family's finances, they accept jobs that under-employ them and pay them significantly less because of the flexibility the jobs afford them.

Even with these lowered job expectations, it is still hard to find work because of the bias that some employees may have of them as being less productive. Amongst the caregivers in RDSS, those who found work that afforded them flexibility needed, opportunities often come through personal networks, rather than the traditional routes of finding employment, even after undergoing skills upgrading. We cannot assume that every caregiver will have access to such personal networks, given the amount of time consumed by caregiving.

Third, limited childcare leave options. For caregiving parents who are in the workforce, childcare leave halts when a child is above 12 years old, because it is assumed that the child should be sufficiently independent by then. This is not true for the parents of children with severe disabilities. The level of care needed does not reduce with age and may, in fact, increase depending on the progression of the disease.

In fact, some caregivers have had to approach employers to ask if they can use their personal medical certificates (MCs), in lieu of childcare leave, for their child who is above 12 years old, given their commitment to stay healthy to care for their children. Each day is a physical, mental and emotional balancing act of spending as much time as they can with their child, not knowing which day would be their

child's last. This, while trying to address the increasing cost of long-term medical care, on top of finding ways to secure retirement adequacy for themselves and their wards.

These caregivers are simply looking for a fair opportunity to participate in the workforce, bring value with their competencies to earn a sustainable living and at the same time, show love to their parents while they can.

Mr Deputy Speaker, we have here an under tapped pool of Singaporean workforce embodying the grit and "can-do" fighting spirit that we so often have lauded. I have no doubt that employers that hire these Singaporeans will find for themselves some of the most diligent and resilient individuals, with valuable perspectives because of their unique life journeys.

The question remains: how might we be more intentional and progressive in finding ways to support and integrate caregivers who are fully capable, highly motivated and willing to be employed? Just as we have schemes to encourage companies to hire seniors and PwDs, may we consider putting in place schemes to make our workplaces more inclusive towards caregivers of persons with these severe disabilities? Can we look at how to encourage more companies to consider redesigning their work across job roles, allowing for greater flexibility for those that require it, not as a lifestyle preference, but out of necessity and livelihood?

We can, and must do more for this group of Singaporeans, to strengthen our social compact to build a Singapore Made for Families as Budget 2023 articulates, in all its diversity. Let us remember and support these caregivers and family members of people with severe disabilities, with their employment efforts for sustainable living. With this, Mr Deputy Speaker, I am thankful and I am in full support for Budget 2023.

Mr Deputy Speaker: Mr Alex Yam.

12.06 pm

Mr Alex Yam (Marsiling-Yew Tee): Mr Deputy Speaker, as the last speaker of this debate before the round-up, I had to redraft this speech a number of times, having heard many good ideas and suggestions from Members on both sides of the House, none of which, unfortunately, I can claim as my own now. But I will raise three issues today.

The first, on motherhood and parenthood. I think we can all agree that motherhood is one of the noblest vocations. We often speak of it in glowing terms: nurturing, caring and sacrificing. In reality, it is much more complex and complicated. Ask any mother and words sometimes like mess, stress, distress and tiredness will come up, but it does not take away the intangible joys and rewards of parenthood.

But neither can we gloss over the pressures that the role brings. Motherhood, therefore, to my mind, is the greatest and, yet, most neglected roles in society. We expect mothering to come naturally with motherhood. Unfortunately, it does not; no manual prepares you for it.

Even having more than one child is not a trial run. Jocelyn and I have four children, we know it does not prepare you for the next child when it comes along. However, there is an impression, unintended perhaps, that even as we support parenthood and motherhood in our society, that there are different categories of mothers.

Some people have mentioned that there seems to be an emphasis on the economic value of mothers. Over many speeches during this debate, Members have raised concerns over the Working Mother's Child Relief, which has been adjusted.

But it says much in the title: Working Mother's Child Relief, the operative word being "Working". The Inland Revenue Authority of Singapore (IRAS) website explicitly states the intent of this particular measure to encourage women in Singapore to remain in the workforce after childbirth. Under Early Childhood and Development Agency (ECDA) guidelines for additional childcare subsidy, the emphasis is also on working applicants, even for those seeking special approval, the first priority is those that are looking for a job.

I would like to suggest that, perhaps, we should support our mothers for who they already are, offer subsidies or grants, regardless of employment or economic value, and not just the basic grants. Consider them for the role, an important role that they play in society today, especially a country where our total fertility rate (TFR) is so low.

We are doing a lot already, but we should continue to do more because mothers are mothers, and not because of the economic potential, as I have mentioned. With our low TFR, I would, therefore, like us to consider the merits of adopting the following. These are existing examples that other countries have introduced.

The UK has a 52-week maternity leave system, perhaps to be introduced with Swedish flexibility, to take up the leave up to the age of eight for the child. French maternity health coverage from prenatal to post delivery, German hospital coverage for up to 12 days after birth, Finland's "baby box" system upon childbirth and aspire towards Iceland's 90% take-up rate for paternity leave. Norway has generous subsidies for childcare and daycare. And also, the French have a universal preschool system. Of course, all these are not without challenges, as each example in each country would throw up different varieties of issues.

But, there is more that we can do. And if the Minister for Finance would indulge me as well, even if we do adopt all of these, we should continue with Singapore's very generous Baby Bonus system.

The second issue I would like to raise today has to do with death and taxes. Two Finance Ministers ago, I characterised the Budget 2015, which was announced by then-Senior Minister Tharman at the time, with Beyoncé's lyrics, "to the left, to the left".

Mr Deputy Speaker, I am not about to sing another song, but this Budget has been described by some analysts as, perhaps, the most distributive in recent years. A number of good things have been said about it by residents and friends that I have met since its delivery on 14 February 2023, but there are murmurings of disquiet in some areas, two of which I would raise today.

The first is the tobacco tax. The one announcement that raises the most heckles in our "kopi tiams" is the increased tobacco tax. Based on latest available statistics, smoking prevalence is now around 10%, down from a higher 16% earlier this decade. While increase may help encourage some already intent on quitting to accelerate the move, the impact may be muted. Many of those who are affected by this increase are older, blue-collar workers.

The 2018 price hike, based on surveys, saw no discernable drop in sales. People eventually get used to the price increase. Thus, the increase may drive more towards: one, illicit products such as vaping, less "healthier" choice, I am using inverted commas, like unfiltered rolled cigarettes. And these will have the opposite health outcomes of what we are trying to achieve.

Please do not get me wrong, I would prefer to eradicate tobacco. But I see less sense in increasing taxes for a product with inelastic demand and users that are less likely to change their behaviour. Therefore, we should take a bolder move to undertake a generational break and ban sales to the next cohort of youths, such as adopted by New Zealand. While the current increase will still raise much needed, not-that-high revenue, I do not believe that the current tax increase will change smoker behaviour.

The second issue has to do with property tax increase. While not part of this year's announcement, the impact is being felt this year. Retirees in owner-occupied properties are experiencing increases, with rising house values and increasing rentals prices, many properties purchased decades ago are now seeing much higher Annual Value (AV).

Those we broadly refer to as "asset rich, cash poor" are affected. Some have said they feel it unfair, they worked hard to buy their own home decades ago but have to pick up a higher tab because of economic progress.

True, we could encourage them to sell and monetise, but often, these decisions are not just economic ones, they are emotive ones as well: they have raised a family here, they have grown up here, they have lived here all their lives. So, what can we do to help those who are truly affected by the increase? Will there be a review of this in the future?

Last of all, Mr Deputy Speaker, I would like to turn to the singular focus of why we do what we do in this august Chamber. Our Singapore.

We have had a remarkable journey for close to six decades, one that we hope will continue onwards and upwards. As one people, we have traversed through challenges and much difficulties. Difficulties that could have easily overwhelmed us in our nascent days. From nothingness, our unexpected nation has made tremendous progress from third world to first. Because we have walked as one people, one Singapore, COVID-19, our most recent challenge, has seen us at our best. People coming together to help each other through a crisis like no other. Was it a perfect journey? Certainly not. This is not utopia, after all.

But, we have done well. Our common struggle and heart for each other proves that this is a nation worth fighting for. Challenges will continue to come our way. There is no doubt about that. How we perform will depend on whether we act as one nation, or as a people divided unto ourselves.

We have succeeded and will continue to succeed because we act as one – people and Government together, people and people together. There is no binary Singapore – one versus another. Regardless of our backgrounds or stations in life, the Singaporean way has been one where we all play our part in co-creating a home that we call our own. This is not a tale of two cities. We must not underestimate Singaporeans and our ability to stand united as one, especially in the face of crisis and challenges. This Government stands with Singaporeans, all Singaporeans.

This year's Budget themed as "Charting Our New Way Forward Together" re-emphasises that. The indomitable spirit of Singaporeans has stood the test of time. That same spirit of endeavour, hard work, unity and common aspiration will carry us onwards. That is the Singapore Way. *[Applause.]*

Mr Deputy Speaker: Deputy Prime Minister Lawrence Wong.

12.16 pm

The Deputy Prime Minister and Minister for Finance (Mr Lawrence Wong): Mr Deputy Speaker, I thank all Members who have spoken and supported the Budget.

Many suggestions have been raised. I would not be able to respond to all of them in this round-up speech. Some specific issues, for example, on education, energy, healthcare and workplace safety, will be discussed later in the Committee of Supply debates. But I assure you that we have heard every feedback and will study your suggestions carefully.

Sir, putting together this Budget has been a delicate balancing act of finding that sweet spot. We want to get back to a more sustainable fiscal position. But we cannot taper down support too quickly because the economic outlook remains uncertain. We want to help Singaporeans tackle cost-of-living pressures. But we must be careful not to inadvertently generate more demand and worsen inflation.

At the macro level, the 2023 Budget is expansionary, not contractionary – contrary to what Assoc Prof Jamus Lim said yesterday. It is less expansionary than last year's Budget because we are coming off from the high levels of spending and that explains the negative fiscal impulse which he cited.

But the Budget does provide some support for what is likely to be a weaker economy this year, although we are careful not to overdo the spending in order to avoid fuelling inflation; which is something Ms Foo Mee Har also cautioned.

At the same time, it is not possible for the Budget Statement to cover everything. In the end, we have to be clear about our priorities. And in this Budget Statement, we have focused on securing economic competitiveness, supporting families and vulnerable groups and strengthening our resilience.

The questions raised by Members during the debate broadly revolve around three buckets of issues. First, are we taking too much and giving back too little? Second, are we doing enough to stay competitive and help our businesses and workers? Third, are we doing enough to help Singaporeans and households in need?

I will address each in turn and explain how we are updating our strategies for this changed world.

First, is the Government taking too much and giving back too little? Do we have any fiscal slack? The short answer is "no". Mr Leong Mun Wai claimed that we have "excess fiscal resources". The Government had spent \$72 billion to fight COVID-19, of which \$40 billion came from Past Reserves. So, he inferred that we had \$32 billion of spare resources lying around. But that is mistaken.

Let me explain. During the pandemic, our society and economy were in an entirely different state. Projects were deferred and many planned and budgeted activities could not be carried out. So, the Government re-allocated these resources towards the more urgent task of fighting COVID-19. Now that we are in DORSCON Green, these funds have to be channelled back to what they were originally meant for. So, there is no slack here.

Mr Leong also claimed that the \$24 billion injected into Funds in FY2022 and FY2023 were "excess resources", as the actual expenditure from these Funds would only occur in the future. Again, this is not accurate. All spending in the Budget, be it direct expenses or top-ups to Funds, are resources we set aside to meet real needs – be it to strengthen safety nets, improve productivity, or build critical infrastructure.

We set up Funds to meet specific funding commitments that are needed today and are stretched out over multiple years. For example, the GST Voucher Fund and Progressive Wage Credit Scheme Fund require top-ups when we enhance the parameters of the underlying schemes, as we have done last year and in this Budget. The monies in these Funds are already being drawn down today and not just in the future.

There are a few Funds where the disbursements are lumpy and not so predictable. For example, the outlays from the Changi Airport Development Fund for the development of Terminal 5 and other aviation facilities will be made in accordance with the progress of the infrastructure projects. For such large and lumpy expenditure items, the responsible thing to do is to set aside some resources whenever we have the means, so that we smoothen out the spending and we do not end up in a crunch when the monies are needed.

From time to time, we do get some revenue upsides. This is what happened in FY2021 and FY2022. Our fiscal position turned out better than initially projected only because we were able to get through the pandemic in much better shape than we had earlier feared. We have put these additional resources to good use, channelling them to support Singaporean households and businesses. This is why, as Ms Foo Mee Har has noted, our expenditure in FY2022, including special transfers, was revised upwards.

More importantly, as Mr Liang Eng Hwa highlighted, the right way to assess our fiscal position is to consider, not the year-to-year changes, but the broader medium-term trend. We have always been upfront and transparent about these fiscal projections and continually review and enhance the information we put out. As part of these efforts, MOF released an Occasional Paper earlier this month, and I am glad many Members referred to it and found it useful.

On the expenditure side, we expect Government spending that is now at 18% of GDP to reach 20% by 2030. In fact, even prior to the publication to the Occasional Paper, I had already highlighted this information. But here, I should emphasise that it is important to look at these fiscal projections as a percentage of GDP and not in nominal dollar terms, which Mr Leong had done. And he had suggested that we had somehow been imprudent in our spending, because our spending now exceeds \$100 billion compared to pre-COVID-19 levels of about \$85 billion. "What a large increase", he says.

But surely he must understand that nominal spending will increase with inflation and with a growing economy. In fact, between FY2019 and now, our spending remains at about the same proportion of GDP, which is around 18%. But looking ahead, with an ageing population and rising healthcare costs, we expect this to rise to around 20% of GDP by FY2030.

On the revenue side, without the GST increase and other tax moves we have made in last year's and this year's Budgets, the projections clearly indicate that we would not have sufficient revenues to cover the increases in spending. And so, you can see the gap in this chart.

[Please refer to [Annex 1](#).]

The revenue situation improves with the GST increase and the other tax changes made in last year's Budget. We have also updated the chart, from what was in the Occasional Paper, to take into consideration the tax changes in this year's Budget. Combined, the revenue moves will help to close the funding gap. [Please refer to [Annex 2](#).]

But this assumes that we are able to keep our spending at 20% of GDP by the end of this decade. In fact, over the past decade, Government spending had risen by about three percentage points of GDP, and you can see it clearly from the chart – from around 15% to 18% today. So, to keep it at 20% of GDP by the end of this decade would already demand some moderation in spending increase, compared to past trends, which we all know is not easy to do.

Furthermore, these projections have not yet taken into account additional spending that may arise from new policy initiatives. There may well be very good reasons for more Government intervention, some of which we are contemplating under the Forward Singapore exercise. And many Members in this House have also suggested good ideas, but all of that means additional spending and the additional spending will then need to be anchored by a fiscal plan that is sound, sustainable and fair.

MOF will continue to monitor these revenue and expenditure trends closely. But the bottom line is that our tight fiscal position is very much a reality over the medium term. That is why we have to proceed with the second step of the increase in GST in 2024 as planned. Deferring this will only store up more problems for the future and will leave us with less resources to take care of our growing number of seniors.

And even as we increase the GST rates, we are also implementing and updating the GSTV, GST vouchers and Assurance package to cushion the impact of the increase.

Incidentally, Assoc Prof Lim said that the increase in the GSTV restores the Government's original promise to offset the GST increase. I find this a rather disingenuous phrase. Because it suggests that somehow, the promise had been broken in the first place, which is factually incorrect. We have been very clear in the Government – consistently saying some Budgets ago when we talked about the GST increase, that the GST comes with the GSTV and the AP. The AP is intended to delay the impact of the GST by five years for the majority of Singaporean households and by 10 years for the lower-income households. The GSTV is a permanent scheme and is targeted at lower-income households and the elderly and it is meant to keep our overall system of taxes and transfers fair and progressive.

All that was stated publicly and I have also consistently said that we will update the parameters of both schemes to make sure that they remain relevant as economic conditions change. So, this is not about restoring promises. This is about delivering on a promise that the Government had made. And this is what the PAP Government has consistently done and will continue to do.

What about other revenue options? We had discussed this extensively in this House. But let me, again, address the various suggestions raised, both in the run-up to the Budget and in the debate.

First, wealth taxes. As many Members noted, we already tax wealth in Singapore through property tax, stamp duty and motor vehicle-related taxes. And the taxes were raised in this and the last Budget.

The net wealth tax, which the Workers' Party had previously suggested, is a specific form of wealth tax that taxes the net wealth of individuals. On paper, it sounds attractive, but in practice, it is very hard to implement effectively. Many jurisdictions have tried, but no one has done it well. This is why many countries have done away with net wealth taxes over the years.

Even in Switzerland, which is often cited as a model, the reality is that the net wealth tax does not only target the very wealthy, who are able to avoid the tax through tax planning. And in the end, it is the middle-income and upper-middle-income groups who end up paying the net wealth tax. The Swiss collect about 2% of GDP in revenues through wealth taxes. This is comparable to what we collect in wealth taxes from property tax and stamp duties.

Second, corporate income tax, which several Members spoke about, including the impact of BEPS. Pillar One of BEPS re-allocates profits from where economic activities are conducted to where consumers are located. So, given our small market size, Singapore will lose revenue under Pillar One of BEPS. I have mentioned this before. That is something to bear in mind. BEPS has two pillars. We will lose revenue under Pillar One.

Pillar Two effectively sets a global minimum effective tax rate. The intent of Pillar Two is for large MNEs to pay more taxes wherever they operate. So, when Pillar Two comes into play and Singapore implements the Domestic Top-Up Tax (DTT), we will get additional revenue, assuming the affected MNEs here do not leave.

But that is a big assumption. Because the reality is, despite the professed intent of BEPS to tax MNEs more, countries are now rolling out vast subsidies to strengthen their competitive advantage over other countries and to re-shore and onshore activities. The US passed the CHIPS and Science Act and the Inflation Reduction Act last year and the EU is now responding with its own scheme – the Green Deal Industrial Plan.

So, competition for global investments will only get tougher. We may not be able to outbid the major powers in spending, but we certainly cannot afford to stand still.

Contrary to what Mr Louis Chua thinks, the MNEs based here are not stuck with us permanently. They are mobile and they have options, and they will certainly have more options when they decide where to locate their next investment project. Within the region, there are many other places where land and electricity are cheaper and wages are lower.

Sir, this is not a hypothetical worry. The MNEs are already making clear to us in our consultation sessions with them. Because of BEPS, they will no longer enjoy the same tax advantages in Singapore. Meanwhile, other countries in the region are cheaper while their home countries are offering very generous incentive packages. So, they ask us: what else can Singapore offer to stay competitive?

So, when Mr Louis Chua and Ms Hazel Poa talk about raising taxes for MNEs, my response is: please be very careful; we cannot afford to price ourselves out of the competition, or else Singapore and Singaporeans will end up the biggest loser. In fact, as we move to align ourselves with the BEPS rules, we will have to review and update our broader suite of economic development schemes to stay competitive as I mentioned in the Budget Statement. That will require more funding resources, and that is why MOF's assessment is that the net fiscal impact of BEPS is unlikely to be favourable.

Third, land sales revenue. This was discussed last year; and Ms Hazel Poa highlighted it again in her speech. She suggested then and now that we spend from land sales proceeds by treating it as revenue divided over the period of the lease. So, basically under the proposal, the land sales revenues or proceeds will be spread out over the duration of the lease. In other words, if you have a 99-year parcel of land, you will get about 1% of the proceeds each year.

In fact, this alternative is not likely to generate more revenue than what we are already getting today from land sales over a period of time. Currently, when the state sells land, the financial proceeds go into Past Reserves, and they are invested to generate a stream of income into our Budget through the NIRC. The effect is that we will be able to spend more than 1% of the proceeds each year, because the reserves are being prudently invested and they generate long-term returns, half of which we get to spend as revenue. We believe this is a more sustainable way of deriving value from the land we own, through the NIRC that benefits us now and in the future.

I have gone through three alternative revenue options but the fact remains that it is very hard for any of them to replace the GST. And given our growing needs, it is not a matter of choosing between GST and any of these alternatives. Contrary to what the Workers' Party believes, we will need all of them and a mix of taxes – on income, consumption and assets – to provide sound and stable public finances in Singapore.

Besides having a diversified revenue base, we also pay attention to the overall tax burden. And after factoring the changes in Budgets 2022 and 2023, including the full GST increase, Singapore's tax-to-GDP ratio is 14%. This is considerably lower than most other advanced economies, as the chart illustrates.

In other words, compared to citizens elsewhere, Singaporeans pay much less in taxes and yet are able to enjoy high-quality public services. At the same time, this low tax burden rewards hard work and enterprise, and allows our people and businesses to keep most of what they earn. *[Please refer to [Annex 3](#).]*

Aside from a low tax burden, some may ask: is the distribution fair and progressive? And here, our philosophy is that everyone has a part to play in building our nation. Everyone contributes, but those who are better off contribute more. Everyone benefits from Government spending, but those with greater needs benefit more. We believe this is what makes for a fair and inclusive social compact.

The outcomes are evident when you look at the benefits and taxes across different income groups. The top 20% bear the heaviest burden in taxes and receive the least in benefits. In recent years, for every dollar they paid in taxes, they received only about \$0.30 in benefits.

Conversely, the bottom 20% paid the least in taxes, and received the most in benefits. For every dollar they paid in taxes, they received around \$4 in benefits. *[Please refer to [Annex 4](#).]*

What about the middle-income groups? Several Members including the Leader of the Opposition Mr Pritam Singh, Mr Xie Yao Quan, Ms Nadia Samdin and many others shared concerns of this group. And I assure you that the Government remains very focused on advancing the well-being of the broad middle of society.

How do we achieve this? First, by ensuring that they continue to enjoy real income growth. In fact, among the advanced economies, we are one of the few where people in the middle have enjoyed significant increases in real incomes in the last 20 years. Growth of median household real income per household member in Singapore over the last decade was more than 3% per annum. It is higher than what the middle-income in the US and most other European societies experienced and well above other Asian societies like Japan and Hong Kong. We will continue to do everything we can to help our broad middle raise their standards of living and support them in meeting their aspirations.

Second, by keeping the tax burden low for this group. I have shared earlier the low overall tax burden for Singapore, that was expressed as a percentage of GDP, as a percentage of our economy. But you can translate that to households and when you look at households in the middle quintile and the total taxes paid – total taxes, not just personal income tax but other indirect taxes as well – the effective tax burden is around 10% of income.

How does this compare to other advanced economies? My team did some estimates for the US, UK and Finland based on publicly available data. Not all the data are complete, we got what we could. But the estimates give a broad sense. And they clearly show that our tax burden is significantly lower than that of these countries.

In his speech, Mr Leong said that the middle-income in Singapore are, I quote, "already over-taxed relative to their income". I think the facts and figures speak for themselves. What Mr Leong said is an outright falsehood. *[Please refer to [Annex 5](#).]*

Several Members, including Ms Jessica Tan, Mr Louis Chua, Mr Dennis Tan and Ms Hany Soh were concerned about the impact of the changes to the Working Mother's Child Relief (WMCR) on the middle-income groups.

And Sir, let me clarify this. When the WMCR was introduced, it was intended to encourage married women, and especially higher-income married women, to have children and continue working. At that time, higher-income married women had fewer children on average. And that is why the incentive was weighted toward this income bracket. But from our experience over the years, young couples in this income group typically base their decisions to have children on other factors and not so much on the WMCR incentive. Furthermore, the situation has now changed. Fertility has been declining across all income segments and we need to encourage couples in all income groups to have more children.

And that is why we decided to change the basis of the WMCR. And with the fixed dollar relief, we focus instead on providing support for children regardless of the mother's income. And effectively, we are tilting the help towards those with greater needs. Importantly, the WMCR changes should not be seen in isolation because they are part of a package of moves to support marriage and parenthood in this and previous Budgets. And that includes enhancements to the Baby Bonus Scheme, the increase in parental leave provisions, all of which will benefit young couples, including higher-income couples, as they embark on their parenthood journey.

This brings me to the third point about what we do for the middle-income, because we really should not just look at individual schemes and changes to individual schemes, but we should focus on the overall taxes and benefits for the middle-income group. Here, again, it is clear that the middle-income on the whole receive more in benefits than the taxes they pay. In particular, for the middle 20%, the amount of benefits they received was about twice the amount they paid in taxes. This compares favourably with other jurisdictions, like the UK and Finland where the middle quintile received around \$1.25 of benefits for every dollar of tax they paid – 1.25:1 – whereas our ratio is 2:1.

[Please refer to [Annex 6](#).]

This is for the middle quintile but some say, well, the middle-income group is very broad, but you can look at the slides. Even the upper middle-income groups, those in the 61st to 80th percentile, received about the same or slightly more in benefits compared to what they paid in taxes. They may not get as much in direct cash benefits compared to the lower-income groups, but they enjoy access to affordable housing, healthcare and world-class education.

Of course, in every Budget debate, comparisons will be made about why some groups got something and others appear to be left out. For example, over the last two days, we have heard Members like Ms He Ting Ru and Ms Shahira Abdullah asking about benefits for singles and single parents. I understand their concerns but we should not look at the Budget Statement in isolation.

In fact, the entire Budget itself provides for all groups. There are many existing schemes not highlighted in the statement per se but are in fact part of the Budget which everyone benefits from. And as the charts I have shown demonstrate, our system is fair, inclusive and progressive.

At the same time, we review all our schemes from time to time to ensure they remain relevant. So, we enhanced our parenthood and family-related schemes in this Budget. Next time, we will look at other schemes so everyone will get a chance.

Sir, this is how we have designed our system. It reflects our values and our sense of solidarity as a people. We encourage and support everyone to excel and be the best that they can be. We create and maximise opportunities for all. But we recognise that outcomes in life will not be equal. So, for those who are fortunate enough to do well and be in the top 20%, we hope they will feel that sense of commitment and responsibility to contribute their fair share and help uplift their fellow Singaporeans.

This compact goes beyond monetary support because everyone in Singapore, everyone including the higher-income, benefit from something very precious here in our society. We are a high trust society, stable and harmonious with strong governance and rule of law. This gives all Singaporeans the safety and security to raise our families, build our lives and pursue our dreams.

This sense of solidarity and trust is what makes Singapore exceptional. And that is why through the Forward Singapore exercise, we are refreshing our social compact so that it remains strong and relevant amidst a rapidly changing world.

Let me move on to the second bucket of issues around the economy and whether we are staying competitive and helping businesses and workers sufficiently.

Many Members spoke on this theme, including Mr Liang Eng Hwa, Mr Sitoh Yih Pin, Ms Foo Mee Har, Mr Sharael Taha and Mr Vikram Nair.

Mr Edward Chia and Mr Derrick Goh also highlighted sentiments from the business community where some have wondered, has the Government changed, has the People's Action Party (PAP) Government changed? Have we moved from a "pro-growth" to a "pro-redistribution" approach?

Let me set the record straight. We remain focused on growing the economic pie, because only then can Singaporeans build better lives for themselves and their families. Only then will we have the resources we need to redistribute, strengthen our social compact, and progress as one people.

Pursuing growth will not be easy amidst a more challenging external environment – I mentioned that just now. Competition and geopolitical tensions will continue to rise as the major powers race for the commanding heights of the global economy.

Singapore has to adapt to this new era. And the good news is that we are moving forward from a position of strength. We are seeing healthy flows of investments, capital and talent into Singapore. And we are seizing these opportunities to build capabilities, strengthen our value proposition, and ultimately, create more jobs and opportunities for Singaporeans.

We must build on our strong foundations and leverage our competitive advantages fully, while managing our inherent and permanent constraints, especially in the areas of manpower, land and energy. We will always be a "little red dot". Manpower resources will always be insufficient, land will always be limited, and we will always be energy constrained. And so, we cannot compete on the basis of cost alone. Instead, we must focus on differentiating ourselves in terms of quality and value.

For example, we are not the lowest-cost seaport in the region, or the world. Yet, shipping companies prefer for their goods to transit and transship through Singapore, because of our good connectivity, robust port infrastructure and comprehensive range of maritime services. Our port is highly efficient, containers do not get lost, shipments are cleared promptly and reliably without shippers having to make any special or informal arrangements. This is just one example of how we differentiate ourselves.

But clearly, given the more challenging external environment, we must redouble our efforts to raise our game. We must build more capabilities. And we certainly cannot score own goals, do moves that will price ourselves out. We must work hard to be more competitive and anchor more quality investments. And that is why we are setting aside additional resources and expanding the scope of the National Productivity Fund.

Because having more high-quality investments here will help to grow our economy and create more jobs for Singaporeans. And this will also benefit our local ecosystem, especially through the transfer of technological know-how and expertise to our SMEs.

Take the example of our medtech sector. We have built this up over the years, anchored by MNEs like Waters Corporation, Illumina and ResMed. These companies have brought cutting-edge capabilities to Singapore through their investments. Over the years, they have sunk roots here and contributed to the growth of our medtech ecosystem. They have developed strong partnerships with local companies like Richport, Nanofilm and Sunningdale, enabling our local enterprises to improve their capabilities and scale up their businesses to reach out to more customers.

At the same time, we are continuing to put in significant resources to nurture and grow our local enterprises, especially our SMEs.

In fact, the amount of support extended to SMEs through capability building grants, like the Productivity Solutions Grant, the Enterprise Development Grant and the Market Readiness Assistance Grant doubled between 2019 and 2022. The number of Singapore enterprises that we supported to build new capabilities, innovate and expand overseas increased by about 60% over this period. The additional schemes introduced in this Budget demonstrate our continued commitment to supporting our SMEs.

Several Members, like Mr Seah Kian Peng and Ms Janet Ang, highlighted the challenges that SMEs face amidst rising business costs. We understand. There are challenges. And in this Budget, we have rolled out some measures to help businesses with some of their immediate cost pressures. This includes the Government taking on a major share, 75%, of the cost of wage increases under the Progressive Wage Credit Scheme.

But the main thrust of our support for SMEs is focused on helping those who are prepared to take steps themselves to restructure their businesses, raise their productivity and venture into new markets and products. Because, as Prof Hoon Hian Teck said, this is the only way for enterprises to survive and thrive on a sustained basis.

We take a sectoral approach through the Industry Transformation Maps to help our economy restructure and transform, because the circumstances, needs and starting points of each industry are very different. And several Members like Mr Pritam Singh and Miss Cheryl Chan spoke about this. Overall, we have made good progress in this transformation journey. In particular, outward-oriented sectors like manufacturing and financial services have achieved strong productivity growth and job creation.

But as Ms Poh Li San and Mr Leon Perera highlighted, the domestically-oriented sectors like construction, retail and F&B face more challenges. This is not unique to Singapore at all. All countries face similar challenges. In these sectors, they will need to adopt structural solutions to increase productivity and grow sustainably. But there are some encouraging signs.

In the construction sector, for example, more firms are moving towards Design for Manufacturing and Assembly, which includes using prefabricated modules and units. In the F&B sector, we have seen more companies with multiple outlets adopt central kitchens to automate and streamline their operations and take advantage of economies of scale.

These and other strategies will help such sectors raise their productivity and reduce their reliance on manpower.

So, overall, we have made progress, but we still need to go further. And that is why we will press ahead with our work on industry transformation and we also hope to see more companies making full use of the schemes available to restructure and transform.

Even as we press on with productivity improvements, we also have to gear up for the green transition and the decarbonisation of our economy. And several Members, including Ms Carrie Tan, Dr Lim Wee Kiak and Prof Koh Lian Pin spoke passionately about this.

There is clearly much more we will need to do to prepare businesses, workers and our economy for this green transition. I had announced several significant moves in last year's Budget, including our net-zero target and the carbon tax trajectory. Many of these moves are a work in progress, and the Minister for Trade and Industry will be happy to share more, I am sure, at the Committee of Supply.

Mr Derrick Goh and Mr Don Wee also shared that the application process for grants is sometimes cumbersome for SMEs and disbursements can take a long time.

We hear these concerns. Our economic agencies will continue to work closely with companies to support them through the different stages of growth. For example, SMEs can tap on the GoBusiness portal which offers convenient cross-agency access to over 100 Government assistance schemes.

In processing applications and claims, we strive to be as efficient as possible, while ensuring accountability and safeguarding the integrity of the system. So, I hope Members understand this need to balance speed with the need for accountability in the use of public monies. But we certainly welcome further feedback. We will look into your suggestions and our agencies will continue to streamline and improve processes.

As we grow the economy, we will also ensure that the growth translates into better jobs and opportunities for our workers.

In a dynamic and vibrant economy, we must expect a continual refreshing and updating of jobs. Unproductive jobs will become obsolete, and new, better, more productive roles will be created in their place. These new jobs could be within the same companies and sectors as where the unproductive jobs are eliminated. They could also be offered by more successful and expanding employers in the same sector, or in other sectors altogether that grow to take the place of the declining ones.

This churn is an integral part of healthy economic growth. But it does create uncertainties for workers, because workers will need to reskill and upskill to stay relevant and take on new roles, be it in the same company, or in a different company, or even in a different industry altogether. That is why we are investing significantly in skills and human capital, to help our workers progress in their careers and earn better wages.

We started this journey – in fact, it has been an ongoing journey, but we made a further push with the SkillsFuture movement in 2015 and we have made progress since then.

At the individual level, through SkillsFuture, we have empowered individuals to take charge of their own skills development and created a culture of lifelong learning, which is growing.

Amongst our institutes of higher learning (IHLs), we have brought about a major mindset and paradigm change. Our universities, polytechnics and ITE no longer just focus on pre-employment training, but they are now firmly embedded in the continuing education and training space.

At the employer level, we have also made progress. In the past, when you asked employers about the competencies and skills that their workers need, you probably might not get a clear response. Through efforts like NTUC's Company Training Committees, employers and unions are coming together to focus on job redesign and training.

Yesterday, many Labour Members of Parliament spoke passionately about this. And you can hear from the speeches that we have come a long way, but we will do more. The Jobs-Skills Integrators is the next move to strengthen the training and placement ecosystem for our workers. Actually, the role that the integrator plays is not new. We have always recognised the need for such an entity – it could be a training provider, a company or an industry association – but there is always a need for such an entity to act as a coordinator and bring together the various stakeholders in a particular sector. Up to now, this integrator role has been done in, perhaps, a more ad hoc fashion. But we have studied the experience of other countries, like Sweden and Switzerland, which have formalised such a role, and seen some positive outcomes.

And that is why we decided to pilot the Jobs-Skills Integrators in three sectors for a start and we have chosen sectors where there are more SMEs and more mature workers. We hope that with additional Government resourcing for this new formalised role and very clear outcome indicators and KPIs, we can achieve better quality training and job matches.

I appreciate the strong interest in the Jobs-Skills Integrators. We are only at the start of this initiative and there is still much more to be done. The Minister for Education will share more at the Committee of Supply.

Several Members – Mr Patrick Tay, Ms Mariam Jaafar and Assoc Prof Lim – also spoke about the challenges that mature workers will face especially if they are displaced or retrenched, and I agree with them.

Younger workers in their 20s will often be able to get back to work quickly, particularly in the current tight labour market, where there are still high vacancy rates and job openings.

But if you are in your 40s and 50s, and are displaced or retrenched, it is harder to find a job.

At that age, many will also have heavier family responsibilities, to their young children, ageing parents, or both.

So, they find it difficult to go for more extensive training, especially to switch to a new growth area. Instead, many will just take the first job available, even if it is not such a good fit for them.

That is why we are studying how we can better support our displaced and mature workers through these challenging transitions and setbacks.

I hope Members appreciate that we have to think through and design these moves carefully. We have to ensure that whatever we do does not erode the incentive to work.

This is, again, not theoretical because we have seen the results of unemployment benefits offered in other places where displaced workers receive generous benefits, but they then find it more attractive to stay unemployed than to get back into the workforce.

We want to avoid these negative outcomes. So, what we really should be thinking about is more like targeted re-employment support.

We want to provide some cushion while the workers undertake training to upgrade their skills and take on new roles that better fit their abilities and aptitudes.

Ultimately, we want to help Singaporeans bounce back stronger from any setback that they may encounter throughout their careers.

So, we will consider this and other moves to strengthen our SkillsFuture ecosystem and we are, in fact, deliberating and looking at this very carefully because our workers will always be at the heart of our economic strategies. And when workers across the whole economy find their work meaningful, the result will be higher job satisfaction, greater fulfilment and a boost to productivity.

Members in this House, I am sure, will remember that it was not so long ago when the Government was being criticised for pursuing a "growth at all costs" strategy – that we were chasing economic growth at the expense of Singaporeans. I think Ms Carrie Tan and Ms Nadia Samdin, to some extent, echoed some of these sentiments in their speeches, when they talked about adopting different models of success that are not just driven by a single-minded pursuit of growth.

At the same time, now that growth is slower, we are in a different situation. Many Members in this House now are concerned that we are not sufficiently focused on growth. That if we are faced with a shrinking pie, contentious disputes over how to distribute limited resources will be inevitable, which can be very socially divisive, as we have seen in many other countries.

But Sir, in fact, we have always taken a balanced approach in our economic development and strategies. Our focus has always been to grow the economy, not for its own sake, but as a means to improving the well-being and lives of everyone in Singapore.

In all that we do, we work closely with our tripartite partners. As Senior Minister of State Heng Chee How, Minister of State Desmond Tan, the Labour Members of Parliament and Mr Raj Joshua Thomas highlighted, tripartism is the competitive advantage that sets Singapore apart and distinguishes us from other countries. Our model of tripartism has been the bedrock for Singapore's growth and prosperity. And it has been critical in enabling us to rebuild from crises and to emerge stronger.

So, in Singapore, it is not about "pro-business" versus "pro-workers"; neither is it about "pro-growth" versus "pro-redistribution".

It is about all of us – employers, unions and the Government – coming together, working together to advance the well-being of Singaporeans and build a better future for ourselves and our children.

The third broad bucket of issues is about whether we are doing enough to help Singaporeans and households in need. And indeed, many Members spoke up in this area and supported the Government's efforts to help Singaporeans.

Cost-of-living is a key concern for many. And that is why we have provided comprehensive measures to help Singaporeans cope with higher prices.

Our focus is on the lower-income groups. But the help extends to sandwiched and middle-income families too, like those whom Mr Xie Yao Quan, Mr Abdul Samad and Mr Mohd Fahmi Aliman were concerned about. That is why we have designed our packages to provide more help for larger families with young and elderly dependents.

And we will continue to review our social support schemes and their means-testing criteria, taking onboard all your suggestions, including the Annual Value (AV) thresholds, to ensure that Singaporeans in need receive the support that they need.

I am also heartened by the efforts of the Consumers Association of Singapore like Price Kaki which Mr Melvin Yong spoke about and we will consider and look into his suggestions as well, and the fact that companies like NTUC FairPrice and Sheng Siong are doing their part to help cushion the impact of higher prices.

Another topic that many Members spoke about is on housing affordability. We debated this at length earlier this month. I was not going to touch on it originally but since so many of you spoke about this, I thought I should cover it briefly in my remarks.

We are all concerned about the affordability and accessibility of public housing in Singapore. But I think it is important we understand the underlying causes for the challenges we face today. Because failure to diagnose the problem properly can lead to the wrong solutions.

I say this with some perspective because I was in the Ministry of National Development (MND) during the period when HDB resale prices came tumbling down. They fell for six consecutive years from 2013 to 2019. Mr Desmond Lee is in the hot seat now. I was in the hot seat then for a different reason. And at that time, we used the same methodology to price Build-To-Order (BTO) flats then, as we are doing now. But when resale prices were falling, no one seemed to be unduly concerned about the prices of new flats. On the contrary, there was a great anxiety that there would be a huge overhang of flats and we would end up with a price meltdown.

And that is precisely why the Workers' Party proposed in 2019 to cut back the annual BTO supply to just 9,000 flats. I read the letter published in The Straits Times today. The Workers' Party now says that it was not a proposal. Well, come on. You can call it whatever you want. But it was quite clear in the Working Paper in a section headlined "Calibrating the construction of new BTO estates"; it says very clearly that "around 9,000 or so dwelling units are required annually" based on various population parameters, otherwise HDB will have a vacancy rate problem. Fortunately, HDB did not take their advice. That was up to 2019.

Then how did the situation change so quickly in the last three years? We had a pandemic that disrupted our BTO building programme. And when that supply was disrupted and waiting times became longer, people felt anxious and more started applying for BTO flats earlier. Others decided to get a resale flat instead because waiting time was so long; so that drives up resale demand. So, we had a confluence of both delayed project delivery and increased demand, contributing to the situation that we are in now.

Who could have anticipated and predicted all this? Really? Indeed, if we had adopted the WP proposal – well, never mind, heeded their advice since you do not want to call it a proposal – and if we had done so and cut back the building of new flats and adopted their subsequent proposal to allow singles aged below 35 to buy new flats, we would be facing a much bigger supply-demand imbalance today. So, you know, let us all show some humility in this. What happened could not have been predicted and let us refrain from passing judgment with the benefit of hindsight.

Under the current circumstances, the WP now says that the house price-to-income ratio should be lowered to three. Well, actually, why stop at three? Why not make it two, or even one? Regardless of the number, more funding will be required to make new flats cheaper. No one disputes that. Someone has to pay.

But, I think, the WP does not want to talk about increasing subsidies and making the taxpayer cough out more. So, they have chosen instead to go with what they think is probably a more expedient and seemingly painless option – which is to dip into the reserves by selling the state land to HDB at a lower cost.

But we must remember public housing land is sold directly to HDB at a fair market value determined by the Chief Valuer (CV) using established and accepted valuation principles. What would be the basis for the Government to get the CV to change the valuation method? In fact, it is precisely because we do not want the Government to influence the CV's decision that we have safeguarded the post of the CV in the Constitution and made the appointment and removal of the post subject to the President's veto.

Mr Pritam Singh alluded to, in his question, that there is a discrepancy because State Land sold under the Government Land Sales (GLS) programme can potentially enjoy a 15% discount. But that is a red herring.

The fair market value of State Land sold through an open tender, such as under the GLS programme, is determined through price discovery when developers bid for the land.

We set a reserve price for these tenders. It is at 85% of an estimated market value as determined by the CV. But that is a reserve price, not a discount.

And this reserve price serves as a guidepost for the Government to assess the bids that are received before awarding the tender. For example, if the highest tendered price is below this 85% threshold, we might want to check this against other factors like the prevailing market conditions, the number of independent bids received and the specific circumstances about the site.

So, it is a guidepost for us to do our checks. And if we are convinced that the bids are competitive and reflect actual market conditions because it went through a tender process, then we would still proceed with the highest acceptable bid in the tender because that is the fair market value of the land.

Public housing land is not sold through an open tender like the GLS programme because there is only one developer – the HDB. But HDB flats are purchased and sold all the time in the open market. There is a well-established open market value for the flats, and therefore working backwards, one can calculate the value of the land used to build HDB flats. These transactions provide the CV with up-to-date market data to consider when making his or her independent determination of the fair market value of public housing land. These valuations are based on objective facts; they are not an arbitrary subjective opinion. It is also real, as every HDB homeowner knows who has sold his flat for more than he paid HDB, and used the capital gain to upgrade to a bigger flat, or to put aside for their retirement needs.

The bottom line is you cannot just change the way land is priced to bring down the selling price of flats. And if you were to try to artificially "reset" the housing market in this manner, you will risk destabilising the entire property market.

Actually, Assoc Prof Lim recognised this in his Facebook post two days ago. He said that with the proposal by the Workers' Party to reduce the land price, some homeowners who have bought their flats under current terms and subsequently wish to sell their flat for various reasons, quote, "may go underwater" or, quote, "have to stomach a loss". Is that what the Workers' Party wants to do – to arbitrarily wipe out a significant chunk of the value of Singaporeans' hard-earned properties?

But at least Assoc Prof Lim acknowledged this problem. Because Mr Leong Mun Wai, who similarly wants HDB BTO prices to be drastically reduced, has claimed that his proposal has no impact on the resale market and Singaporeans can have their cake and eat it too – cheap BTO prices, high resale prices, home buyers still enjoying enormous capital gains, and the Government does not have to do anything. It seems like magic, but it is really a raid on the reserves.

Suffice to say, there are no magic solutions to solve the current housing issues. The Government's approach – and what we believe is the right thing to do – is to tackle the root cause of the problem. What is the root cause? It is supply! So, let us ramp up BTO supply; catch up with the delays that had arisen over the COVID-19 period. HDB is doing the best it can, and Ministry of Finance (MOF) is supporting them with the resources to do so and I am confident that we will, through all these efforts, get things back on track soon.

There is also a view being put out by some Members – I think, Ms Hazel Poa and others highlighted – that the Government's policy on land value is driving up public housing prices, that leads to continued increases in subsidies for BTO flats, which may not be sustainable. But now, again, we are looking at this now and the concern arises because of the current cyclical tightness in the public housing market. The situation will be different once the market stabilises or if you have a down market. So, rather than look at the ups and downs, cyclically, the fact is land value will ultimately be based on economic fundamentals.

Meanwhile, because it will take time for the supply to go up, we have made some moves in this Budget to manage demand. In particular, we are giving greater priority to families with children and married couples aged 40 and below, who are buying their first home, and the additional ballot will significantly increase their chances of securing a BTO flat, especially one in a non-mature estate.

And we are increasing the CPF Housing Grant for resale flats, so that eligible first-timer families and singles with more urgent needs can purchase a resale flat.

I know quite a number of Members have highlighted concerns that this increased grant will cause sellers to ask for higher resale prices and may not work. I understand the concerns. And in fact, there will always be a risk like this when we increase the grants. And that is why we considered it very carefully, and we took into account the property cooling measures we had implemented and HDB's progress in ramping up the BTO supply, before we decided on this move.

Furthermore, not all flat buyers will benefit from the increased grant. Based on the data on resale transactions over the last two years, only about one-third of resale flat buyers received the CPF Housing Grant. So, while the enhanced grant may have some impact on resale prices, overall first-timers should benefit from the grant and pay less when they buy a resale flat. That is the intent. This is a targeted support measure, rather than a broad-based move; and we are confident that it will help first-timer families and singles buying in the resale market, and indirectly also reduce some of the demand for BTO flats.

There is certainly a lot more we can cover on housing. This is not a housing debate: it is a Budget debate. So, I have focused on the key points, especially where it relates to land and reserves matters. But I am sure there will be more to discuss, and the Minister for National Development will address them at the Committee of Supply.

Many Members including Dr Wan Rizal, Mr Desmond Choo, Mr Leon Perera, and Mr Christopher de Souza also spoke about what more we can do to tackle the related issues of inequality and social mobility.

As I highlighted in the Budget Statement, our moves to uplift lower-wage workers through Workfare and Progressive Wages are showing results. Over the past five years, our lower-wage workers have consistently seen higher income growth than those at the median. So, we will continue with our efforts to uplift the incomes of lower-wage workers.

Last September, we expanded the Progressive Wage Model (PWM) to workers in the retail sector. Next month, workers in food services, as well as administrators and drivers will come on board. In July, we will cover workers in waste management. Taken together, our Progressive Wage approach covers the vast majority of lower-wage workers. So, the moves we are making will have a positive impact in uplifting their salaries over the coming years.

Beyond these PWM sectors, we are charting out skills-based career ladders for tradesmen in key essential services like plumbers, electricians and aircon mechanics. Earlier this month, the Labour Movement mooted the Career Progression Model, a new framework which will uplift the work prospects and wages of skilled essential tradesmen and professionalise these trades. The Government will support the Labour Movement in these efforts.

We are also focusing on new entrants to the workforce, especially our ITE graduates, which Mr Desmond Choo and others spoke about. We are equipping them with industry-relevant skills and a strong foundation for future learning. In fact, through programmes like the Work-Study and Technical Diplomas, ITE graduates are seeing better employment outcomes, with median starting salaries that are comparable to those of polytechnic diploma graduates. These are positive indications and we will continue to do more.

The Government will do our part, but we will not be able to narrow wage gaps on our own. As many Members highlighted, to ensure sustainable growth in real wages for our lower-wage workers, Singaporeans need to chip in too.

As consumers, all of us must be prepared to pay more for services delivered by our fellow Singaporeans, be it cleaning of our housing estates, air conditioner servicing, security, or retail. Most importantly, we must treat everyone with dignity and respect, and value everyone for the work they do. That is why we join our brothers and sisters in the NTUC to affirm that "Every Worker Matters". This is not just a slogan; it is a fundamental tenet undergirding our entire approach of nation building.

Besides dealing with inequality, we must ensure that social mobility remains alive and well in Singapore. We have done better in this aspect than many other advanced economies. But any society which has been stable for a long time tends to stratify. That is why we must collectively lean against this tendency and do more to uplift disadvantaged groups.

Here, support in the early years matters critically. That is why we have been making significant shifts on early childhood over the past few years and we will do more to narrow the preschool enrolment gap between children from lower-income households and their peers.

We are also helping lower-income families tackle the complex and multi-faceted challenges they face holistically and through better coordination. I spoke about this in the Budget.

Today, we have different Government agencies overseeing various schemes – for example, HDB has the Fresh Start Housing Scheme, MOE has its UPLIFT Initiative, and ECDA has KidSTART and so on. But in the end, our approach cannot be scheme-centric; it must be family-centric. That is why we are streamlining common functions such as outreach, befriending and case support under ComLink to serve the 14,000 families with children living in rental housing.

The officers engaging these families take a different approach. They do not just promote specific Government schemes. Their starting point is the needs of the families – to find out their concerns, and what we can do to support them, such as helping them secure a better job, or ensuring that their children attend school regularly or have a conducive environment to study in.

We are seeing many success stories of families being uplifted through this approach. It requires much more work and effort on the part of our officers; it also requires us to work closely with social workers and community partners on the ground. But ultimately, it is the best way to encourage and empower families to achieve success and to sustain their progress.

Tackling inequality and sustaining social mobility is really about making our system of meritocracy work well for all Singaporeans. In fact, we have long recognised the problems with an “unbridled” and “winner takes all” meritocracy, which Mr Leon Perera spoke about. That is why we set out to achieve a more open and inclusive meritocracy over a decade ago. So, I am glad that Mr Leon Perera agrees with and supports the Government’s objectives.

In fact, Members would have seen the many moves we have made towards these objectives over the years – from the earliest years of life to our efforts in schools and the labour market. We are not done yet, and we are actively working on all fronts to minimise social barriers and encourage mobility, because this is what Singapore has always been about and must continue to be. We remain open to all good ideas. We are pragmatic and we are also realistic. This is not about pursuing the latest fashion or fad in policy thinking. We will focus on what works, and what is effective in bringing us closer to our goals.

Another group that we are focusing on is our seniors. Many Members spoke about this, including Ms Jessica Tan, Mr Yip Hon Weng, Mr Dennis Tan, Mr Sharael Taha, Mr Henry Kwek, Mr Saktiandi Supaat, Ms Tin Pei Ling and Ms Ng Ling Ling. They covered many areas, including employment, retirement adequacy and care options. Let me touch on these briefly.

We all know that as our population ages, our healthcare needs and costs will increase. The strains on families and caregivers will grow. That is why we have been making moves in the Budget in recent years to take better care of our seniors. For example, seniors will receive significant benefits under the enhanced Assurance Package and the GST Voucher scheme.

Besides providing near-term support, we want to help our seniors live healthily and independently for as long as possible. I also agree with Members that those who wish to continue working should be well supported to do so. That is why the Government is progressively raising the retirement and re-employment ages and providing substantial employment support for seniors. Over the past five years, we have seen an overall improvement in the employment rate of senior workers and we will continue to push for further improvements working together with our tripartite partners.

As part of the refreshed Action Plan for Successful Ageing, we are also stepping up efforts to help our seniors remain socially active in the community.

And when our seniors retire, we want them to enjoy their silver years. That is why we have been working hard to boost the retirement adequacy of different cohorts and segments. It is the reason why we are progressively raising the CPF monthly salary ceiling. The increase is intended to keep pace with the 80th percentile of monthly resident wages, which crossed \$8,000 last year, and to help middle-income Singaporeans save more for retirement.

Some Members have expressed concerns that the increase in the ceiling will add to business costs and reduce the take-home pay of middle-income workers. I understand the concerns, but I also hope Members appreciate that the move will, in fact, benefit workers. Because they will have more CPF savings, which can be used for healthcare and housing. Importantly, they will be able to save more and strengthen their retirement security in the longer term.

We are phasing in this increase over four years because we have consulted our tripartite partners, engaged them and listened to their concerns. And we know that we need to do this over a period of time to give our employers and employees time to adjust. The annual salary ceiling will also remain unchanged at this juncture, which was also part of the considerations after consultations and this will limit the impact on business costs.

Beyond the moves in this Budget, we are undertaking a review of our CPF system parameters and retirement policies, including the Silver Support Scheme. Our aim is to assure all Singaporeans that as long as they work and contribute consistently to their CPF, they will be able to meet their Basic Retirement Sum. And for those who do not have the ability to work, or the runway to work and save through CPF, we will find other ways to ensure their retirement security.

We are also looking at the long-term care arrangements for our seniors, something which many Members spoke about. Many are concerned over the affordability of the care options and the burden of care amongst caregivers. Some have suggested providing more support for caregivers. Indeed, we had earlier announced the enhancement of the Home Caregiving Grant, and the enhanced grant will take effect next month.

We will continue to review, but it is not just about caregiving support alone, because we have to review more broadly our aged care system to see how we can enhance the care and living options for the seniors within our community, while ensuring our long-term care services remain affordable.

We are looking at various things, including how we can develop more senior living options in our housing estates, how we can best deploy and operate our Active Ageing Centres, something I spoke about in the Budget Statement.

And beyond the hardware and infrastructure, how we can provide a more seamless continuum of care for our seniors, with easily accessible and integrated services across all neighbourhoods.

It is challenging, as the aged care sector is complex and fragmented. So, we will need to think through our plans carefully and consider how best to deploy limited resources – both land and manpower – in efficient and sensible ways.

This has always been our approach to providing assurance for our people. We review our policies carefully, we ensure that any long-term or permanent programmes are sustainable and reinforce the ethos of self-reliance and mutual support. That is how we have progressively strengthened our social security system and safety nets, and implemented schemes like Workfare, CPF LIFE and Silver Support.

Mr Deputy Speaker, I have covered a few key areas where we are doing more to uplift vulnerable groups and support our seniors. But as I said in the Budget speech, the moves in this Budget are part of a broader review to strengthen our social compact. And many Members gave very good suggestions in this debate.

Ms Yeo Wan Ling talked about how we can better support gig and self-employed workers. Dr Wan Rizal, Ms Nadia Samdin and Mr Melvin Yong spoke about those with mental health needs or conditions. Miss Cheng Li Hui, Mr Darryl David and Mr Eric Chua spoke about how we can make Singapore more family-friendly. Mr Don Wee, Dr Shahira Abdullah, Ms He Ting Ru, Mr Louis Ng and Ms Rachel Ong have highlighted other groups who need help, including persons with disabilities and their caregivers, students with special needs, healthcare workers and single parents. We are reviewing all these and many other areas as part of Forward Singapore. In the coming months, we will study the various suggestions provided and partner Singaporeans to develop new strategies and impactful solutions.

Sir, taking care of one another is not just about meeting the needs of today. It is about looking after our children, grandchildren and future generations to come. We must do what is right for today and for tomorrow.

That is the approach our forefathers took.

In the earlier decades when our economy took off and grew rapidly, they did not just spend all the surpluses without any regard for the future. Instead, they painstakingly built up the reserves and they introduced the Elected Presidency to safeguard and protect our reserves.

These values of discipline, prudence and the willingness to sacrifice for the next generation are the very essence of what undergirds our framework for the reserves.

Looking after future generations does not mean that we are neglecting the current generation – far from it. Sometimes, we talk about the future as though it is some distant thing, many years away. But, in fact, the so-called "future generations" are really not very far away. Many in this Chamber will still be alive 20 or 30 years from now. Prof Koh shared his hopes to be in Singapore in 2050 as a retired professor looking at how green Singapore will be. I certainly hope to be there at that time too.

Our children will certainly be growing up in that timeframe and will be directly impacted by what we do today. So, the future is not something abstract, something that is not linked to us. It is us and our children.

In any case, all of us today are currently benefiting from the reserves. Our reserves are our endowment fund and our rainy-day fund. As our endowment fund, the returns from our reserves have enabled us to keep overall tax burden light, as I have shown just now. Out of every dollar we spend in our Budget, 20 cents come from the NIRC.

It is our rainy-day fund. We saw both during the Global Financial Crisis and over the past three years how our reserves helped us to weather crises without having to incur debt that future generations will have to pay.

So, what we enjoy today must never be taken for granted. Many Members highlighted this, including Ms Foo Mee Har, Dr Lim Wee Kiat, Ms Poh Li San, Ms Joan Pereira and Mr Shawn Huang. As they highlighted, we will have to brace ourselves for all sorts of possible disruptions and shocks in this new world and we have to do more to strengthen our national resilience.

Take pandemics as an example. We had SARS in 2003 and then COVID-19 almost 20 years later in 2020. We may not need to wait another 20 years before we face the prospect of another deadly and devastating pandemic in the world.

We face global warming and the growing threat of climate-related disasters. Climate risks can lead to other risks. It can disrupt global food supplies. It can facilitate the spread of more illnesses and pandemics.

We now have superpower rivalry between China and the US and potential flashpoints in the region. The superpowers are now thinking in terms of "spheres of influence". So, smaller countries like Singapore will come under growing pressure.

We have enjoyed peace and stability in the region for close to 50 years since the end of the Vietnam War. It is hard for us to imagine how things could be different. But look at Ukraine and Europe and how the situation changed so quickly.

With growing geopolitical tensions, can we be sure that our region will be able to avoid conflict in the coming decades? If there were to be a conflict or a hot war in this part of the world, how will that impact Singapore?

These are major risks that we will have to consider and take seriously.

And given these plausible scenarios of the future, what should our response be? To blithely spend more from the reserves as the Opposition proposes because we are just slowing down the growth rate as they claim? Or to husband our reserves and uphold the principles that underpin the protection of our reserves that have served us well all these years?

To me, the answer is clear.

In fact, I would say that there appeared to be a time when the Workers' Party seemed to me, to share the Government's perspective on the reserves.

Because in 2009, when this Parliament debated whether to draw \$4.9 billion of Past Reserves that year to help Singaporeans tide over the Global Financial Crisis, Mr Low Thia Khiang then from the Workers' Party expressed surprise at the need to do so. He said, and I quote, "Past Reserves are a strategic asset meant for use in times of need, especially when the Government faces financial constraints due to unprecedented circumstances which require the Government to respond in the interest of the nation."

I could not have said it better.

Later in 2011, after we recovered well from the crisis, we were able to put back into Past Reserves what we had drawn earlier.

And Mr Low applauded this move. He said in his speech in Parliament that this was "one thing right" that the Government had done in the Budget that year. Many things were not right, but that one thing was done right.

This time, I explained in the Budget Statement that we are highly unlikely to put back the \$40 billion drawn from Past Reserves.

Several PAP Members of Parliament – Mr Liang Eng Hwa, Mr Zhulkarnain Abdul Rahim and Ms Tin Pei Ling – have over this and recent Budgets emphasised the importance of fiscal discipline and urged the Government to try to put back the money into the Past Reserves should our fiscal position improve.

But the Workers' Party has been completely silent on this. Instead, their repeated calls have been for the Government to spend more from the reserves – to slow down the growth of the reserves, increase the 50% NIRC formula, change the reserves rules. Different options and different suggestions dressed up in multiple ways but it boils down to the same consistent ask. And it sounds to me that the Workers' Party has shifted its position since the days of Mr Low.

But in the end, Singaporeans will have to judge what is the more responsible approach to manage our finances and to take Singapore forward. I say, let us uphold the values of our forefathers and do what is right by past, present and future generations of Singaporeans. Let us maintain a strong fiscal foundation so that Singapore can continue to prosper and thrive for many more years to come in this troubled world.

To conclude, Mr Deputy Speaker, the Budget is not just about dollars and cents. Neither is it about winners and losers or about pitting the well off against the rest of society. Instead, it reflects our values as a people and our unwavering commitment to build a fairer, more inclusive and ever more just society.

In his opening remarks, Mr Pritam Singh gave an impassioned speech – that we must not allow "two Singapores" to emerge. This has in fact been the People's Action Party Government's steadfast approach all these years, so I thank him for agreeing with what we are doing.

But I must say that I find it a bit odd how Mr Pritam Singh characterises the "two Singapores". In particular, he suggested that if you are unable to upgrade to a condominium or a landed property or own a car, you will be in the second Singapore.

But the test of social mobility cannot be about owning a landed property or purchasing a car. Let us not perpetuate such narrow definitions of success. The fact is everyone will have their own aspirations and passions to pursue.

Ultimately, we aim to value and celebrate every individual for who they are and to provide them with opportunities to do better throughout their lives. That is how we will refresh and strengthen our social compact.

I also agree with Mr Pritam Singh's remarks that fiscal redistribution should not be about pitting one group against another. And I am very glad that the Workers' Party supports the Budget this year even though it includes the second step of the GST rate increase.

But the irony is this. The Workers' Party shares the Government's view that those who earn more should pay more in taxes, yet it consistently refuses to acknowledge the unique way the People's Action Party Government has implemented our GST system, which requires the well off to contribute more and does not hurt the poor.

And I cannot help but feel that it is because the Workers' Party thinks that there is political mileage, perhaps, in pushing for ideas to soak the rich and, maybe, political advantage to reject the GST despite everything we have done to implement it in a way that is fair and that does not hurt the poor.

Sir, governing Singapore cannot just be about scoring political points or doing what is politically convenient or expedient. We have to do what is right for Singapore and Singaporeans.

And when tough calls like raising the GST have to be made, we have to be upfront, explain our position and persuade Singaporeans why such painful decisions are necessary but will ultimately benefit everyone. This is what the PAP Government and successive People's Action Party Ministers for Finance have done.

In the end, I have faith in Singapore and Singaporeans. We are a rugged and resilient people. We know what it means to live within our means, earn our own keep and stand on our own feet with dignity and pride.

We are a caring and big-hearted people. We care for the people around us. We care about our children and grandchildren and our future generations yet to be born.

We rally together through thick and thin and we move forward as one people.

We will never mortgage the future of our children in the next generation but we will do everything we can to give them a better start in their lifetimes.

Sir, our solidarity and our values are our deepest strength. They are what make Singapore work. They have kept Singapore going through good years and bad. And they will enable us to secure our prospects and build a brighter future together – as one united people and as one Singapore. *[Applause.]*

Mr Deputy Speaker: We have had 55 speakers over the last three days. Therefore, we will allocate time for clarifications. The Leader of the Opposition.

1.42 pm

Mr Pritam Singh (Aljunied): Thank you, Mr Deputy Speaker. I thank the Finance Minister for his round-up speech. I have a number of clarifications in view of the interventions the Finance Minister made on the Workers' Party's participation in this debate.

I will start with the first and this pertains to the tax burden on the middle class. I think the Finance Minister put up some charts. They set out what the Government has shared in the past about the burden insofar as how much a certain percentile of Singaporeans pay vis-a-vis taxes and the benefits they accrue in return. I think this has been something that the Government has done consistently.

On this note, in 2018, my colleague Mr Leon Perera asked the Government to consider measuring the consumer price index (CPI), which tracks inflation for specific demographic groups like young couples, parents with children and retirees. The Government would say it would do this when it was ready. Five years on, we are still waiting.

I think we saw the headlines this morning about CPI and how it continues to go up. I am raising this now vis-a-vis those charts that the Finance Minister provided because you have to assess the pain points of the middle class from various perspectives. I think the CPI, when you look at certain specific categories and classes of Singaporeans, you may get a different picture compared to what the Finance Minister raised.

We obviously need a better resolution on that. My first clarification is whether the Finance Minister would consider providing information from that perspective – specific groups of Singaporeans which we know are in the sandwiched middle class.

The second clarification has to deal with the strategy that the Finance Minister laid out. The Government keeps the tax burden low and it aims to keep the tax burden on Singaporeans low. In the course of the debate, of course, I listened to various PAP Members of Parliament (MPs). I heard proposals for more intermediate- and long-term care subsidies, checking the rental rate of Government-owned and managed properties, even a call for a windfall tax.

Many of these proposals were made in the WP manifesto and by WP Members in this House. So, for a minute, I thought that the PAP had become "WP-lite".

Be that as it may, what none of the PAP MPs who raised these proposals did, was to tell us where this money was going to come from, something that the WP did in the last debate. We put it out there. The Finance Minister referred to the debate we had at the last Budget debate. What then are the main strategies then that the Government has for keeping the tax burden on Singaporeans low?

This leads me to my third clarification and that pertains to the Housing and Development Board (HDB) issue. I will be brief on this because I am sure some of the other WP MPs will come in and seek further clarifications from the Finance Minister.

On this topic and the Minister's iteration of this back and forth that is currently going on in The Straits Times Forum between the PAP and the WP, I am reminded of what the Government Whip said many, many years ago in this House, "Sometimes it is not just what you say but what you do not say that also matters."

And what the Government is not saying, of course, is the context of the WP housing paper was in response to Voluntary Early Redevelopment Scheme (VERS), a Government proposal which was not very clear and it was looking into the future. So, naturally, the housing paper looks at a longer-range forecast of the housing sector. And that was the context which I have not heard any PAP MP speak about. And in fact, they seem to be quite silent about it.

And, on this note, of course, I have to then come to the irresistible conclusion that it is a convenient distraction because if indeed the point that was raised in the housing paper was critical, then the PAP would have raised it last year when the WP called for more HDB housing for singles.

So, it was a response to the housing debate, I think the PAP recognised that accessibility and affordability of HDB flats is a serious issue, but I will leave it at that on the point of context.

The second sub-point, however, I would like to make is an issue that the Finance Minister suggested that we do not want to deal with the difficult problem of subsidies and grants and how much this may cost the taxpayer. Completely untrue, because we raised it in this House. Again that the fact of the matter is more and more money, more and more fiscal resources are being diverted to the Home Ownership Programme – \$1 billion in the past, touching \$4 billion now. And given the approach that we are taking, this is only going to increase.

So, when the Finance Minister says, when we ask questions about pricing of land and so forth, and he says that this is red herring, I respectfully disagree because we have to try and understand how we can make the Budget balanced, and how much is actually being devoted for a programme which the way we see it is just going to keep going up and up and up.

The Finance Minister did not, of course, clarify some of the specific queries that I raised in my speech about this insofar as whether the Government will reveal the subsidies for each Build-To-Order (BTO) programme because it shows that, actually, there is a point of inequity that I think needs to be worked on. But I will leave it at that. The other WP MPs will come in with more clarifications.

My fourth point has to do with —

Mr Deputy Speaker: Mr Singh, may I invite you to be more succinct in your clarifications because we would have to go through quite a number of Members seeking clarifications of the Minister for Finance.

Mr Pritam Singh: I will do my best, Deputy Speaker. I just have two more clarifications.

Mr Deputy Speaker: If you can keep it succinct, it would be appreciated.

Mr Pritam Singh: I will do my best.

Mr Deputy Speaker: You have gone through four clarifications.

Mr Pritam Singh: The fourth clarification is pertaining to the Industry Transformation Maps (ITMs) which the Finance Minister did pick up. The Finance Minister shared that overall, there was good progress. But, of course, there are some domestic sectors where there are issues.

I would like to bring to the Finance Minister's attention to the Second Report of the Estimates Committee that was presented to Parliament on the 15 November 2017. And paragraph 29 says that the Committee, this being the Estimates Committee, expressed the need for robust KPI setting, monitoring and accountability of the various initiatives under CFE including ITMs.

I raised this point in my Budget speech last year as well. Can the Finance Minister share some of this information with us? Because in the spirit of fiscal prudence, \$4.5 billion dollars was allocated to the ITMs in 2016. I think we do need a report card.

The final clarification pertains to the point the Finance Minister made about Mr Low and his responses to the drawdown of the reserves during the Global Financial Crisis. The simple answer to that is the position of the Workers' Party has evolved because circumstances have evolved significantly.

And we can see it also, in terms of the contribution of the NIRC and the Government's own attitude to the NII framework post-Global Financial Crisis. You have Temasek being included in the NIRC formula. Why? Because we were told there were more needs, healthcare needs, ageing population. These are perfectly, eminently reasonable explanations as to why Temasek tap was included in the NIRC framework.

I do not see this as a particularly problematic issue to deal with because naturally, as circumstances evolve, PAP also will change its position and the Workers' Party, of course, will be entitled to do the same.

I will leave those clarifications out there for the moment and I will step in with more if I have to.

Mr Deputy Speaker: Thank you, Mr Singh. Deputy Prime Minister Lawrence Wong.

Mr Lawrence Wong: Thank you, Sir. Let me take these issues in turn.

On the tax burden on different, middle-income and sandwiched groups and the CPI for these specific segments, we do the best we can. We continue to monitor all the different groups. Where data is available, we will publish and where it is useful, we will put it out for information. We are tracking not only inflation, but as we have repeatedly said, how real incomes evolve for all these different segments, because at the end of the day, we want to ensure that real incomes grow not just for the top end, but for the middle and, in particular and especially for the lower-income groups.

We, already, in fact, put out CPI data by income groups. The Leader of the Opposition has asked for even more granular data for specific segments, different archetypes. We will continue to review and see what more can be done. Here, we share the same interest. There is nothing to hide. We are all concerned about the same thing and we will continue to do more and do better.

On the strategy for keeping tax burden low and who has given more ideas. No one has a monopoly of ideas. In this House, Members across different parties will put out ideas. From the Government's point of view, we welcome all ideas. We will study them. We will look at them. Where they are good ideas, regardless of where these ideas come from, we embrace them. If the ideas may not be so effective, we will highlight and say that these are not ideas that we think are sound.

In that light, we will continue to look at how we can manage growing spending needs, while keeping our finances stable and sustainable. There may be a need for additional revenues. And, if so, we will make sure that any form of additional revenues raised or taxes raised, are done in a way that keeps our overall system of taxes and benefits fair and progressive. That is our commitment.

We could also look at meeting increased spending needs, not only through increased revenues and taxes, but we could also do it through re-allocation. So, there will also be a continual exercise to examine what are some areas that we can do less of, what are some things we might want to discontinue so that expenditure and funding can be re-allocated to new priority areas.

And here, my appeal to everyone in the House, everyone in the House, across all parties is, as Finance Minister, you hear a lot more proposals to do more, but you very rarely hear proposals to stop doing something. I think it would be nice for a change to hear Members talk about some things we might stop doing, do less of. And then, we may have more ideas to think about how we can manage both expenditure and revenues, and ensure sustainable finances.

Third, on housing and what the Workers' Party said in its Working Paper in 2019 and the context which, according to Mr Singh was not said. Actually, I thought I said it in the speech. I fully appreciate the context, because I was there in the Ministry of National Development (MND). The context was the concern about decay of leases, declining values. But the context was also in the midst of falling resale prices for consecutive years.

And the Workers' Party is not alone in highlighting that, under such an environment, we better consider how many new flats we are putting out. Many experts shared similar concerns. I was under tremendous pressure to cut back BTO flats. There is no shame in acknowledging that you got that wrong because many people did. Why not just acknowledge it, that, yes, it may not have been a specific proposal or whatever you want to call it, but it was very clearly stated. We do not have to go through it. It is right there. I read the Working Paper, from cover to cover, in MND. I know what was said. And what was said at that time reflected the context of that time – a concern with overhang of supply, too many flats. If you build more flats, this is what will happen.

So, why not just acknowledge that you got that wrong? Like I said, no shame in it. Many experts thought it was the right thing to do at that time too. And we are not here to pass judgement because, with the benefit of hindsight it is, of course, very easy to say. No one would have predicted that you would have a COVID-19 crisis and what has happened in the last three years. No one could have predicted that. We did not; neither did the Workers' Party. No one did.

So, let us acknowledge, like I said, with some humility, what happened, and let us not rush to judge the current situation with the benefit of hindsight. Let us acknowledge that the current situation was created by a set of very unusual and exceptional circumstances. And the root of the problem is building more supply. And that is what we are doing. We are doing our best to try and fix the problem – not created by bad policies, by sacred cows which we are loath to slay, but by something that was exceptional. And we are doing our best to address it.

Fourthly, ITMs and what was said in the Estimates Committee about robust KPI setting, outcomes and publishing of what we have achieved through the ITMs.

Sir, I completely agree with what needs to be done. We need clear KPIs, outcomes for every ITM and they had been published, not all, but a lot of them have very clear outcomes reported. In the financial services sector which I launched, for example, we set out very clearly what we wanted to deliver, what was achieved and the next milestone, what we hope to do with the next version.

Sector-by-sector, these ITMs, the sectoral agencies in charge of them, will put out the reports, more information, clearer outcomes. It is a continuing journey which we will continue to walk on and help each sector restructure and transform.

Then, on the shift in the Workers' Party's position on the putting back of reserves, I am glad that Mr Singh has acknowledged that it is a change in the Workers' Party's position. But I would respectfully disagree with his comparing that with how we have updated our position on the involvement of Temasek in the Net Investment Returns framework. Because we have made it very clear when we embarked on this that we did want Temasek to come in it. But it was a matter that needed more time to study and therefore, the implementation was staged.

More importantly, our underlying philosophy, our intent, our principles, have never changed and will never change. It is about fiscal prudence, discipline, responsibility, stewardship. That is consistent and has not changed and will not change, whereas, it seems to me, on that part, the Workers' Party has shifted. *[Applause.]*

Mr Deputy Speaker: Mr Leon Perera.

Mr Leon Perera (Aljunied): Thank you, Mr Deputy Speaker. I wish to respond to the point in the HDB paper and then I have two clarifications to put to the Deputy Prime Minister.

And to some extent time, I am repeating what Mr Louis Chua said on the point about the HDB paper when it was first made, but I think it needs some treatment in a bit more granularity than what the Leader of the Opposition had time to do just now. Because the People's Action Party seems to be doubling down on this incorrect assertion, using its tremendous PR and communicative machinery to repeat this assertion about the Workers' Party HDB paper again and again, on social media, in letters to The Straits Times, Zaobao.

So, let me go back to that and we can read out those two paragraphs. I am glad the Deputy Prime Minister read our paper. We worked on it.

The first paragraph contains observations and poses a question that does not amount to a call to action. The second paragraph is the call to action. The first paragraph makes observations about the risk of vacancies in the context of a paper on longer-term housing dynamics; that resale prices will inevitably come under pressure at some point.

And I think the Government has acknowledged that. I refer to the exchange between Senior Minister of State Sim Ann and Assoc Prof Jamus Lim, my colleague. So, it is in that context that those observations were made in the questions posed.

But the call to action comes in the second paragraph which says BTO projects should continue. I repeat, BTO projects should continue. It does not say BTO projects should continue at a reduced rate; it does not say BTO projects should stop.

You laugh, you laugh. Let me continue.

It does not say BTO projects should continue but at 9,000 rather than 17,000. It says, BTO projects should continue and then it goes on to say that you can taper that down in the longer term when our USB proposal kicks in, which would yield flats that could be repurposed as Sale of Balance flats (SBF) or for expanded public rental scheme. But that only starts to kick in in about 12 years' time.

So, I think it is very important to have debates on our real positions and not mischaracterise one another's positions. We did not put out a proposal in 2019 that you cut BTO construction. If we had wanted to, we would have set that out clearly in plain language.

My other two clarifications to the Deputy Prime Minister. Firstly, about —

Mr Deputy Speaker: Mr Perera, if I could ask you to keep them short and concise.

Mr Leon Perera: Yes, Mr Deputy Speaker. I will try to do that. The first clarification on the HPI. The Deputy Prime Minister asked, why does Workers' Party say a HPI of three, why not a HPI of two or lower?

There is an organisation called Demographia and the Government in its Parliamentary Question (PQ) replies have referred to the research of this particular organisation. I do not think the Government would have done that if it is not an organisation that does not do credible work.

Demographia regards anything above five for HPI as extremely or critically unaffordable; three to five as moderately unaffordable in some way; and three and below is affordable. So, there is some basis in the research and the science around this to say that that figure of three is a good affordability target.

So, I would like to ask the Deputy Prime Minister for what the People's Action Party seems to be saying, that anything below five is fine. What is the basis for saying that?

And the last clarification, I will keep it brief – in response to the Leader of the Opposition, the Deputy Prime Minister has set out a worldview that reducing the rate of growth of reserves is taking away from past generations. We have debated this many times. In 2008, the PAP did just that – when it created the Net Investments Return (NIR) Framework, slowed it even more, in 2015 with adding Temasek. So, why is that not irresponsible and not taking money away from future generations? But when the Workers' Party says it, then is irresponsible! Is it seeking political mileage that it is okay when you do it but it is not okay when we call for it? *[Applause.]*

Mr Lawrence Wong: Sir, let me again respond to all three points.

First, on the housing Working Paper and what the Workers' Party said. I think, Mr Perera now is sort of alluding to the fact that the assessment that they had put out was pertaining more to a longer-term concern about a supply overhang. But that is very clearly not what the write-up says.

The write-up says and I read, "that private vacancies in the private sector have only started to inch down but there are still around 12,000 private units completing up to 2022." So, with that, comparing now, HDB, "will the HDB have a vacancy rate problem compounded by a still steady stream of 6,000 to 17,000 BTO units in the last few years, which will continue to increase supply up to 2022."

The assessment was very clear. There was a concern about short-term overhang; in the short term, too many supply of new flats.

Like I said, I experienced it. It is not just you who was highlighting this concern. You can check the Hansard. I probably think some PAP MPs must have asked me the same question. I was under a lot of pressure to cut back BTO new flats, the building of new flats –precisely because of the short-term concern. It was not a longer-term assessment. It was a short-term assessment. It was very clear what was written; and arising from this assessment therefore, that there was the concern that you have to calibrate your building programme.

To me, as somebody who was looking at the Working Paper then, on the receiving end in MND, I think it was as clear as daylight what the Workers' Party wanted to do. You were not the only one. There were similar concerns expressed by others.

So, all we are highlighting is let us be upfront and honest that the assessment made at that time was not right. Like I said, many people did not get it right. No one would have predicted what happened with COVID-19, but there is no shame in that. Let us now focus, look forward on coming together to tackle what the root cause of the problem is, which is what the PAP Government is indeed doing.

On affordability benchmarks, yes, there are a range of benchmarks out there. We do not deny that, but we have made clear what the affordability benchmarks are. Our pricing of new flats have not changed at all these years from then till now. And our affordability benchmarks are not just expressed in home price to income ratio. We also look at the mortgage servicing ratio which is 25%.

So, we have put all of that out. I can appreciate why anyone looking at it from an opposition point of view will say, "well, that is very good but let us make it cheaper, let us make it more affordable".

And obviously, in this current time when the resale prices are high, whatever you say on that front will have more traction. People will feel the pain and they will say "yes, of course cheaper is better".

But remember, at the time when prices came down, this was not so much of an issue.

So, all I am highlighting is let us have some perspective on this. The market moves up and down in cycles. Let us not react to these cycles. Let us understand the root cause of what causes the cycles and let us continue with a certain consistency in policy and address the root cause of the problem.

Then, on the NIR framework and why if the PAP Government were to make a change, it is okay; but if the Workers' Party were to propose something, we say it is not okay.

I think we have been through this debate too in this House. And I have explained, from the Government's point of view, we put in place a framework, we staged out the implementation over a period of time. We always had the intention for Temasek to be there but we put in place a framework that will provide discipline for the Government to use the reserves as an endowment fund. It was meant to be a set of fiscal rules that we live by, not to change at the time when we need money, which is what the Workers' Party is proposing.

So, yes, at the time when we put in place this set of fiscal rules, this framework for us to use the reserves as an endowment fund in a disciplined, responsible manner, I think the Workers' Party agreed to the framework. But what we are highlighting is, so soon after this framework was finalised, at the first sign of needing money, why the attitude of then going back to change the rules? Should we not live by the rules that we have set for ourselves and agree and put in place? And maybe down the road, years later, after the benefit of lots of experience, yes, we can come together to review this again because I have said that nothing is cast in stone. We should review but not so soon after we have finalised a framework and at the first sign of needing money. We do not think that is sound nor does that reflect the values that we want to uphold in our fiscal system and in our society.

Mr Deputy Speaker: Mr Liang Eng Hwa.

Mr Liang Eng Hwa (Bukit Panjang): Thank you, Mr Deputy Speaker. Sir, two questions, two clarifications for the Finance Minister.

Firstly, on the Occasional Paper which I find very useful to get a forward view of the fiscal trend going forward. So, I would like to ask the Finance Minister will he make this Occasional Paper less occasional going forward? *[Laughter.]*

The second question is in his Budget Statement speech, he talked about this contingency funds where we are going to reduce the balance from \$16 billion to \$6 billion. It used to be from \$3 billion to \$16 billion; and then now we are going to \$6 billion.

I want to hear from the Finance Minister the rationale for doing that. Would we not want to keep more contingency funds in this environment where it is more disruptive and uncertain?

Mr Lawrence Wong: Sir, if there is new information, we will certainly put out another Occasional Paper. I mean these medium-term projections do not change so quickly because we are not tracking year-to-year. We are tracking over a long period of time. And I do not think you will have very sudden changes in the projections. But over a period of time, as there is new information, maybe new revenue items, maybe new expenditure items, then obviously there may be some changes to the longer-term outlook.

And yes, if that were to happen, we will either put out more information on the website, in the form of an Occasional Paper, or we will even update it in the speech. Because in fact, if you look at the Occasional Paper, a lot of the facts there, are not entirely new because we have put it out previously in various Budget Statements before.

So, we are committed to updating, providing information as and when necessary, and being upfront and transparent about our fiscal outlook.

On contingencies, it was \$3 billion before. We raised it to \$16 billion during the pandemic because of the emergency situation we were facing. You needed to be able to tap on funding quickly and you did not know where the needs might emerge from and there was therefore a need to do so.

But now that that emergency period has passed, so to speak, we are in DORSCON Green, we felt that there was a need to go back to fundamentals and go back to that discipline that we have in budgeting and planning our resources, setting aside Ministry by Ministry, how much we have to spend. You will still need a contingency, but that contingency does not have to be so large.

But we thought given the new environment, the shocks and disruptions we may face, we could make it a bit bigger than what it used to be, but not at \$16 billion. Hence, the proposal to come down to \$6 billion. But because we need a constitutional amendment to effect this, we will have to table a Bill in this House very soon.

Mr Deputy Speaker: Mr Seah Kian Peng.

Mr Seah Kian Peng (Marine Parade): I just wanted to ask the Deputy Prime Minister. We all know that the NIRC contributes towards half of our Budget —

Yes, the point I want to make is that what is very clear is that returns from investments are uncertain and yet our needs will always increase — be it for healthcare, education, defence. Given this too, in a scenario where the returns are coming down, could Finance Minister Deputy Prime Minister share with us how can we ensure that our spending and the programmes that we have are kept on an even keel?

Mr Lawrence Wong: Sir, it is precisely for that reason and the concerns that Mr Seah highlighted that we should not change our NIR framework. Because there are headwinds to our investment returns and you can never be sure that you can continue to get the kind of returns we had in the past, given such an uncertain environment.

But all the more we say, stick to the framework that we have. The ups and downs in the market cycles, we take care of, because we have smoothening formulas for that. And we apply an expected return, remember, in our NIRC, not actual return.

So, we take care of the ups and downs in the markets with some smoothening formulas, but the broader point that this may come under pressure is a real one. That is why we have consistently said to the debate or to the question that Mr Perera asked earlier as well, let us stick to the framework, let us abide by it. And then, over time, we will see what our needs are. And we will have to think very hard if our needs were to continue to grow, how best to raise finances to cover these growing needs.

Mr Deputy Speaker: Ms Hazel Poa.

Ms Hazel Poa (Non-Constituency Member): Thank you, Deputy Speaker. I wish to respond to what the Deputy Prime Minister said earlier about my proposal for land sales proceeds to be taken as revenue divided over the period of the lease.

He said that under the current arrangement, where the land sale proceeds go into reserves and we get NIRC, it generates higher returns or we get more revenue from that because we can get more than 1%.

I wish to refute that by pointing out two facts.

One, if 1% of the land sale proceeds goes into revenue, the other 99% still goes into reserves and continue to earn investment returns. So, the drop in NIRC is only with respect to the 1% that did not go into reserves. Mathematically speaking, there is no way the investment returns on that 1% can be higher revenue than the entire 1% itself, unless we are getting investment returns of 200% per annum from our reserves.

Secondly, if we were to recognising land sales proceeds as revenue, in the first year, indeed, it will be 1% of land sales revenue, but in the second year, it will be 1% of current year plus 1% of the previous year, and in the third year, 1% of current plus 1% of previous and 1% of the year before, and so on. So, again, you will not have higher revenue under the current arrangement.

So, that misunderstanding having been cleared up, will the Deputy Prime Minister reconsider?

Mr Lawrence Wong: Sir, we did look at Ms Hazel Poa's proposal. I think she is right, if you work out mathematically, if you use her method. In the initial years, maybe you can get more. But we are not looking at just a "sugar rush" from an immediate injection of funds. We are looking in the longer term – what is the sustainable and what is the best approach.

When we look over a longer period of time, frankly from our assessments, the revenue generated is not very different. And we believe what we are doing is a better, more sustainable method, because the proceeds are kept in the reserves, we generate returns from the reserves and the returns benefit both today and on an ongoing basis.

Mr Deputy Speaker: Mr Edward Chia.

Mr Edward Chia Bing Hui (Holland-Bukit Timah): Thank you, Mr Deputy Speaker. I would like to first thank the Deputy Prime Minister for affirming that the Government is not going away from being pro-enterprise or pro-growth and not leaning towards pro-redistribution.

I would just like to seek further clarification in terms of the consultations with employers. To what extent is it not just about what Government can do for employers, but also about what the employers can also share in the social compact renewal, especially for all the Forward SG conversations and our SMEs consulted in depth in their role in this renewed social compact?

Mr Lawrence Wong: Sir, the employers certainly have a big part to play in our refreshed social compact. So, we are continuing our engagements and our conversations with them. Given the current pressures that many SMEs face, unfortunately, when you talk about their responsibilities as part of a new social compact, they sometimes look at these as additional obligations and burdens, which may therefore explain why they see a shift in Government thinking. And we have to continually explain to them, that this is not about a shift from pro-growth, to pro-redistribution. This is about how all stakeholders in society – employers, unions, workers, Government – all of us have a part to play and we do think that there are many things that employers can do. For example, in terms of HR – which many Members did speak about and I think the Member himself, did highlight – better HR, skills, training, fair progression, career progression, fair hiring, many roles that employers can play as part of our renewed compact.

Mr Deputy Speaker: Mr Louis Chua.

Mr Chua Kheng Wee Louis (Sengkang): Thank you, Mr Deputy Speaker. Just three very quick clarifications. The first is around the Working Mother's Child Relief, which several Members of Parliament have spoken about. My question is, what percentage of mothers will benefit from this change? As Deputy Prime Minister said in the opening speech as well as the round-up speech, it is supposed to benefit lower- to middle- income mothers. But based on my calculations on just one child alone, it seems that the lower-income mothers will not benefit and a very narrow base of working mothers will. And if you have more children, I am just not sure what is the number of mothers who would actually benefit from this change.

Second, is in relation to the CPF annual salary ceiling. I do recognise that the higher monthly salary ceiling will be raised over the next four years, but I think in this House you have spoken a lot about giving businesses visibility, certainty. And so, in that regard, what is stopping the Government from giving that visibility as to the in tandem moves with the annual salary ceiling?

Third, I spoke about the reintroduction of the NAV tax on higher-end and secondary properties, which I think during the Global Financial Crisis, Senior Minister Tharman, then as Finance Minister, abolished. What are the concerns by the Government on this, since I did not quite hear about that in the round-up speech?

Mr Lawrence Wong: Sir, I do not have the figures on the percentage of mothers who will benefit, but I tried to explain the reason why we are changing our thinking on this. There was a reason why at that time when this scheme started – we wanted to address concerns and encourage higher-income married women to have more children at that time. The experience has shown that they do not really base their decisions on the incentive alone; there are many other factors.

Since then, as I said, fertility has come down across all income groups.

So, it is not just about who benefits, calculating that marginal difference, but it is really a change of philosophy. That we want to make sure that the support is directed at the children, regardless of the mothers' incomes. I think it is the right thing to do, given the current circumstances and we have explained the rationale for the change.

On the CPF salary ceiling, we are changing the monthly salary ceiling but there is no plan now to update the annual ceiling. So, there is no need to talk about what might happen or to give any advance notification to employers on this regard. Because we think at the monthly level, there is a need to update to the 80th percentile. But at the annual level, the current ceiling still remains relevant.

On the annual value tax that Mr Chua highlighted, this was indeed removed back then. But Mr Chua may not have picked this up – when we removed this at the time of removal, we had a not so progressive property tax schedule. So, the removal of this annual value tax on owner-occupied properties was done in the same time, as we really updated our property tax rate schedule to be much more progressive. And therefore, this is what we have now, not a separate tax on an annual value, but a property tax, which is a progressive wealth tax on everyone in Singapore.

Mr Deputy Speaker: Ms Foo Mee Har.

Ms Foo Mee Har (West Coast): Thank you, Deputy Speaker. I have one clarification for Deputy Prime Minister. Whilst we cheer the Government Budget this round, with the generous support to household. And I think we all support and cheer. I did mention in my Budget speech that some economists have cautioned that the Government handouts, such as the GST vouchers and cost of living support may actually stoke inflation pressures, as we have seen in other countries.

I think Deputy Prime Minister has acknowledged that in his speech. I think there are a lot of economists wanting to hear your view about whether our inflation pressure is under control. So, if you could just share, in planning the support, that we will still have inflation under control.

Mr Lawrence Wong: Sir, there will always be some trade-offs when we provide more support that it may inadvertently fuel demand and add to inflationary pressures. That is why we have to manage and calibrate this carefully. And that is why in rolling out or designing the package, we have not made it a broad-based support scheme. We have targeted the lower-income groups, we have given some to the middle-incomes as well. But based on the design of the package, we believe that the impact on inflation will be manageable.

Mr Deputy Speaker: Assoc Prof Jamus Lim.

Assoc Prof Jamus Jerome Lim (Sengkang): Thank you, Mr Deputy Speaker. Two clarifications. The first is the reason why economists actually use a simple difference between revenue and expenditure to evaluate the fiscal stance is simply because every dollar received by the Government is one less dollar in private sector. Hence, I accept the Government has different justification for its accounting standards. But I think we should not confuse an accounting approach with the actual net impact of the Government on the economy. So, to that effect, the IMF's Article 4, issued in July 2022, did state that the gross operating balance was projected to be positive 2.7% of GDP, and net lending and borrowing at 1.4% of GDP. And this was indeed the basis of my claim.

So, I wonder if I may ask the Minister, if this has changed, if MOF can confirm that our gross operating surplus or net lending is indeed negative for FY2022. I will, of course, happily retract, my original claim of a contractionary fiscal policy.

My second clarification has to do with a redundancy insurance. I take the Minister's point that there are concerns about staying longer in unemployment than necessary and his suggestion that support will be tied to retraining. I do not find this objectionable per se, but only stress that of course, bills and financial commitments do not take a breather when one is made redundant.

And yet, it does take time for an individual to be matched to retraining and reskilling. So, if I may seek the Minister's assurance that should a retraining contingent unemployment support scheme be implemented that payouts would not be unduly delayed at the point of redundancy?

Mr Lawrence Wong: Sir, I do not intend to get into a technical discussion. I am sure Assoc Prof Lim is well familiar with the difference between the fiscal impulse and the fiscal multiplier. So, when we talk about whether a budget is expansionary or contractionary, we run it through our models, we assess what the impact will be. And as I said, our assessment is that, there will be a slight expansionary support for the economy. We think it is appropriate, given the weakness of the economy, but we cannot overdo the support because it will then lead to additional inflation.

The fiscal impulse is really an accounting measure. It is quite simple to calculate. It gives you a rough proxy but it is not a full assessment of the impact that a budget or fiscal measure has on the economy which we work through our economic models.

On the redundancy insurance or the support that we are thinking about for displaced workers, it is something we will continue to study. And we will take into consideration what Assoc Prof Lim has suggested.

Mr Deputy Speaker: Mr Patrick Tay.

Mr Patrick Tay Teck Guan (Pioneer): I would like to thank Deputy Prime Minister for emphasising and reiterating that every worker matters, in response to the calls of the fellow labour MPs, in particular, the big focus on training, skills upgrading and development. I thought that I just wanted to seek clarifications on two points or should I say two suggestions.

Firstly, thanks for the great support of the NTUC-SNEF PME Taskforce as well as the rallying calls to better support mature PMEs in trying to re-enter and re-employ back into decent jobs. But at the same time also, we noticed a gap, as several of us have highlighted on career advisory and coaching and support services, particularly strong at the early career guidance level when they are still in school, particularly strong when they are unemployed, retrenched and laid off but a big gap where new entrants into the workforce as well as those who are in between or in employment. I thought this part we will make some rallying calls. We hope for Deputy Prime Minister and team to support the Labour Movement as we want to endeavour into this space.

Mr Lawrence Wong: Sir, we agree with Mr Tay and the Labour Movement in your observations of the areas that can be strengthened in terms of career advisory and counselling, particularly for new entrants to the workforce and even for some mid-careers. We do want to see how we can empower individuals to take charge of their own careers. Very much as how we talk about Healthier SG as a movement where we can empower individuals to take charge of their own health. I think we need a similar way of reaching out, engaging and empowering individuals to start thinking and planning ahead for their own careers. So, the Ministry of Manpower has some ideas in this regard and I am sure they will be happy to share more, maybe in their Committee of Supply, or certainly in due course when they are ready.

Mr Deputy Speaker: Mr Leong Mun Wai.

Mr Leong Mun Wai (Non-Constituency Member): Thank you, Mr Deputy Speaker. The Deputy Prime Minister said that I have said an outright falsehood. I categorically reject that and I will ask him a few questions to demonstrate that he has been trying to pull wool over our eyes.

Firstly, the first question I want to ask, the Deputy Prime Minister said that the middle-class Singaporeans are not over-taxed and showed the benefit tax ratio as a proof.

Can I ask whether the Deputy Prime Minister has factored in BTO subsidies and land cost in the equation? If the land cost is not considered a tax, but the subsidies given to BTO is considered a benefit, it is no wonder that the benefit tax ratio turns out to be very favourable for middle-class Singaporeans. But that does not reflect the true picture.

The second question I want to ask: The Deputy Prime Minister has always said that the Net Investment Returns Contribution (NIRC) is money that we can spend as revenue. After having gotten us agree to not touching the reserves and ploughing back 50% of the net investment return to the reserves. Then if the NIRC now is not spent when most of it is being tucked away in endowment and trust fund each year, how can you say that that money is being spent because it will only be spent very slowly into the future?

Can the Deputy Prime Minister share with us how much NIRC has been tucked away in total to-date and what percentage of that we spent every year? It is even more insidious when the Government, on one hand, tucked away all these revenues and then tell Singaporeans that we have not enough fiscal resources as a result "I need to raise GST and other taxes".

Third question, the Deputy Prime Minister said that the total revenue – the total expenditure in 2023 cannot come down, it has to stay at \$100 billion because, and that is despite the end of the pandemic, because of the effect of nominal GDP growth which I think that is what his chart shows. Can I confirm with the Deputy Prime Minister that nominal GDP growth had indeed increased by 33% from 2019 to 2023, which is exactly that increase in expenditure from 2019 to 2023, from \$75 billion to \$100, that is 33%. Has our nominal GDP growth by that amount over the last three years?

And also, if what the Deputy Prime Minister said is correct, then I would expect the \$25 billion increase in expenditure to be spread uniformly across the Ministries, but you look at the \$25 billion difference, between 2019 and 2023 actually the increases were lumped up in mainly three ministries – Ministry of Health, Ministry of National Development and Ministry of Defence. Can the Deputy Prime Minister explain that?

Lastly, last question: In his obsession with the reserves, this Government has actually lost its bearing.

Can I ask the Deputy Prime Minister how can the affordable home scheme as proposed by Progress Singapore Party (PSP) which guarantees every Singaporean of each generation an affordable HDB flat because he only paid the construction cost, how can that be less equitable to the current BTO system, where future generations of Singaporeans will have to worry about how high the BTO prices will go?

Given that we have not exhausted debating about the two schemes – BTO scheme and the affordable home scheme – in the sake of time, I will not go too much into that, but I hope the Government will consider our proposals carefully because they are overwhelming advantages in the affordable home scheme versus the BTO scheme.

Mr Deputy Speaker: Deputy Prime Minister Wong.

Mr Lawrence Wong: Sir, on the burden of the middle class and why I had said Mr Leong's remarks that the middle class were over-taxed was an outright falsehood. I did not rely on tax and benefits per se. I highlighted if you look at the tax on the middle-income household, 10% of income, total taxes that they paid. How is that more? And then if you say well, 10% is more, then let us look at other countries and I showed the chart. So, I rest my case. I do not want to elaborate further or get into a to-ing and fro-ing with Mr Leong. The facts and figures, as I said, in my speech, speak amply for themselves.

On the Net Investment Returns Contribution (NIRC) and whether there is excess NIRC, never mind the argument that we have made before that it is not about NIRC, it is about revenues all coming together in a Consolidated Fund. But Mr Leong insists on not taking – recognising this, so he specifically says that there is excess NIRC because of Fund top-ups. I, actually, had a whole treatment on that in my remarks. Maybe Mr Leong was not paying attention. So, again, I should not belabour the point because I have already said in my remarks that Fund top-ups are not all spent in the future, considerable number of them are drawdown Funds, Funds for which the monies are needed today and on an ongoing basis. So, there is no slack there either.

On Government's expenditure rising and in nominal terms, how far it has gone again, the facts are straightforward. You can look at where we are today as a share of GDP. By all means, go to Department of Statistics (DOS)'s website, check where the nominal GDP figures are, match expenditures today and expenditures in 2019. Expenditures have risen but as a share of GDP, they have not. Why have expenditures risen? It is not just because of a growing GDP, it is inflation. Nominal spending goes up. Salaries have to cost more. So, that is quite obvious, is it not? If you were to keep spending constant in real terms, how do you pay more for salaries, how do you pay more for projects, all of which cost more money. But what is important is to track spending as a share of GDP and, as I mentioned, it has maintained at the same ratio over 2019 and today.

On public housing, I really do not want to get into a debate on that because we have gone through that extensively before. As I mentioned in the exchanges just now, the Government welcomes all ideas. We look at them seriously. We study them. We studied Mr Leong's and the PSP's proposal on affordable housing. Our assessment is that this is clearly a raid on the reserves. It will not be good for Singapore and

Singaporeans and that is our conclusion. In the end, Singaporeans can judge for themselves.

Mr Deputy Speaker: Mr Desmond Choo.

Mr Desmond Choo (Tampines): Thank you, Mr Deputy Speaker. First, I want to thank the Deputy Prime Minister for a budget that would help workers navigate through very challenging times.

Two points of clarification. It is very reassuring that Deputy Prime Minister said that those who work consistently will be able to meet their basic retirement needs. Would the Government also look at those who are nearing retirement and have a limited runway left to build up their retirement savings? And how about those self-employed persons which are actually growing in size? What is Government's direction towards helping such groups of people?

Second, how can we help the NITEC and Higher NITEC Diploma holders to make career switches, perhaps earlier in life so as to be more resilient in their whole career journey and also to close the gap with degree holders?

Mr Lawrence Wong: Sir, on the CPF system and retirement adequacy, we are studying this. Our starting point is look at the CPF system first, review the parameters.

I note that in this debate Mr Pritam Singh and a few others have talked about, for example, the proportion between OA and SA contributions. Others have asked about other parameters. So, we are reviewing all that with a view that younger workers can work, contribute to CPF consistently and through that meet their basic retirement needs. That must be the assurance we give. So, that is something that we are studying.

Older workers will not have the runway to accumulate savings through the CPF system. So, we have to help them separately. It could be through the Silver Support Scheme. It could be through other schemes but we are looking at that as a separate group to support.

And then, of course, we have a third group which are self-employed persons who are not part of the CPF system. We have made one move for gig workers in working in platform companies to contribute to their CPF. So, we have taken care of that group of younger workers, but we will have to study more broadly what we could do for self-employed persons, recognising that not all of them want to be on the CPF system. Some of them may choose the flexibility not to, and how do we respect their wishes, give them the flexibility that they desire but, at the same time, find ways to make sure that they are able to save adequately for their future retirement. So, these are things that we are, indeed, studying.

Did you have a second question? Ah, ITE. ITE students and how we might help them after they graduate? It is something that is on our minds, because we must ensure that ITE students not only graduate with skills that will get them a good job. But we want to make sure that we are able to help them upgrade, reskill and continue in their careers, whatever they are. So, that must mean a very good system of support for an ITE graduate, maybe comes out ITE with a higher NITEC but, eventually, can get a work-study diploma, a technical diploma or even a polytechnic diploma, or maybe even a degree and there must be that system to encourage and support them in their continuous pursuit of new skills. So, it is certainly something on our minds.

Mr Deputy Speaker: Mr Leon Perera. I will take another two to three more clarifications because we breached over an hour of clarifications. I saw two more hands and I will call both.

Mr Leon Perera (Aljunied): Thank you, Mr Deputy Speaker. I think Leader of the Opposition has a clarification as well. But I just wanted to make one point in response to the Deputy Prime Minister again on our 2019 housing paper. He read out this sentence, "Would 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."

If you look at the sentence, what the sentence is saying is not that there is an imminent risk of vacancies, not that there is going to be vacancies in 2022. It is saying that there will be, there is a risk of vacancies if you continue to build following this kind of pattern. So, there is no time frame attached to that and I would remind the Deputy Prime Minister again that the whole context of our argument or focus on this paper is longer term housing dynamic trends.

More importantly, I would remind the Deputy Prime Minister again, that this first paragraph does not amount to a call to action, to a proposal, to a suggestion. We go on to say "BTO projects should continue". If we had meant to say "BTO projects should be cut back", we would have said that.

So, I really hope the Peoples' Action Party will stop propagating this falsehood that our 2019 paper called for a cutback to BTO supply in 2019. And if it does not do that, I would really question if the PAP has become a party that propagates falsehoods to gain political mileage.

The second clarification, on the exchange with the hon Member Ms Hazel Poa, I think initially the Deputy Prime Minister mentioned that based on his economic modelling, Ms Poa's proposal would not yield more revenue. But later on, when questioned by Ms Poa, he, to my mind, unless I misheard him, the argument changed to one of a "sugar rush". So, I just wanted to ask if, based on the Deputy Prime Minister's original response that the economic modelling shows that her proposal would not generate any revenue, could that model be shared so that economists and the public can scrutinise it?

Mr Lawrence Wong: Sir, on the first point, let us not belabour this anymore. We might as well publish exactly verbatim whatever the Workers' Party has said in the Working Paper in 2019 and in the end, Singaporeans will be the judge of the matter. I think we have said enough on this point.

The reality, as I have described it from my perspective at that time, was a very different reality. And do not talk about cutting; no one at that time even thought about building more flats. It would have been unthinkable. Everyone was asking cut back, cut back, cut back; no one said build more flats.

With the benefit of hindsight now, it is so easy to say build more. But I just want to have some perspective here, that during that time, when resale prices were coming down, it was a very different context, it was a very different circumstance. And we can just put out what the Workers' Party said and everyone can be the judge of it.

On Ms Hazel Poa's suggestion, when I talked about it not yielding more revenue than our current system, I was referring to it from a broader perspective and not just from a year-to-year perspective. So, it can generate more revenue in the near term, perhaps, but it really depends on the assumptions. You do not need to be a rocket scientist to work out the assumptions. Just put it in a spreadsheet, do your sums and anyone can figure out that; actually, it is not very different from what we have today.

Mr Deputy Speaker: Last two clarifications – Ms Carrie Tan and then we will close off with Mr Pritam Singh. Could I invite both Members to please keep their clarifications concise and short?

Ms Carrie Tan (Nee Soon): Thank you, Deputy Speaker. I think what I have just experienced in this House reinforces the point I would like to make, which is to clarify that — Thank you, first of all, Deputy Prime Minister, for addressing the point that I and Ms Nadia Samdin made about slowing down.

I would like to clarify that the proposal that I made is not to make a slowdown so that we will not have growth in our economy, but that perhaps slowing down is the approach to help us achieve better growth in our economy. I think many in this House and also many of our Singaporeans can attest that when we are all overworked, spending too many hours in too many meetings, what happens is our brains – and science supports this – our brains go into what we call 钻牛角尖 mode. 分明讲的清清楚楚听起来糊里糊涂.

In the end, we end up in very unproductive, unconstructive meetings – like this very, very protracted housing debate, for example.

So, I would like to ask the Deputy Prime Minister to consider and invite him in his already very stretched bandwidth, whether in this tripartism that we have, that is such a beautiful and unique way of managing Singapore, whether we can approach productivity in a slightly different way with a commitment and a focus on our people's wellness.

I think if we just slow down a little bit, we may be able to harness more clarity, more creativity in our people when we are less stressed. So, that is only thing I am asking. Can we consider the possibility that taking a slowdown can actually help us to boost the creative potential that we have as a people?

Mr Lawrence Wong: I thought you were going to take two questions at a time.

Answer is yes, for sure. As I mentioned in my remarks, we are not pursuing growth for its own sake. We want to pursue growth as a means to an end and that end must be to uplift the lives of Singaporeans to advance the well-being of Singaporeans. And if indeed there are segments in our society who are feeling stressed out, burnt out, then that is not something we want to see either.

So, we should look at it holistically and certainly we welcome suggestions from Ms Carrie Tan and we will continue to work with her and Members in this House and other stakeholders, and also with our tripartite partners, to continually advance the well-being of all Singaporeans.

Mr Deputy Speaker: Mr Pritam Singh.

Mr Pritam Singh: Thank you for the indulgence, Mr Deputy Speaker. Just two quick points. First one, again, I also do not want to belabour the issue of the point about the WP's housing proposal. The Deputy Prime Minister was saying we will have it published. It is already published. It is already publicly available for people to read. And the key point in there is the context that Minister speaks of in terms of his experience in MND is actually a subset of the larger context that WP was talking about, which was the announcement of VERS.

The Finance Minister said there is no embarrassment in just changing your position and view – I agree with him. In fact, in 2018, it was Minister Lawrence Wong himself who identified a particular infographic, I believe, that the Workers' Party had put out on the capital reserves in PUB. And indeed, we took a look at it and our representation was incorrect; and so we corrected it. So, I do not think there is any difficulty that the WP faces in trying to correct something which is inaccurate. But I do not think the PAP has dealt with the housing paper in an even-handed way. Hence, the position that we are taking. No genuflection and we certainly do not intend to keel over when we feel that a relevant point has to be made. That is the first response. It does not require a response from the Finance Minister. But that is my response.

The second issue was the fifth clarification I put to the Finance Minister pertaining to the reserves. The Finance Minister said he respectfully disagrees with my characterisation of the move made in 2015 to include Temasek and that this actually was a plan that the Government already had in the works for some time.

So, I took the opportunity to pull out then Finance Minister Tharman Shanmugaratnam's Second Reading speech on the Constitution of the Republic of Singapore (Amendment) Bill, which effected this change. This is what was said: "We had deferred Temasek's inclusion when the NIR framework was first introduced and indicated that we would review this some years after implementation". So, that is correct. But the other thing that the Finance Minister did not say was including Temasek in the NIR framework, will provide the Government with additional fiscal resources in the years to come.

So, that is the point that I pegged my response to, and I think I have made the representation in this House before, that the position in 2015 resulted in more fiscal resources, more reserves being employed by the Government. That is the point that the Minister did not state in his response to clarification number five.

And just to set it out here, three reasons why these additional revenues were required: one, healthcare; two, human capability training, SkillsFuture, all this would be required, strengthening education; three, transport infrastructure, Changi Airport Terminal 5, Tuas Sea Port.

These were the reasons why the tap was opened. There would be additional fiscal resources and because there is a need. The need for the hour calls for it. And that is the perspective that the WP are bringing when we speak of looking at the reserves differently.

Mr Lawrence Wong: Sir, I thank the Leader of the Opposition for the first clarification. We will leave it at that. Let us not dwell on this further.

On the second point, on the inclusion of Temasek in the NIR. The intention was clear from the outset. The only reason why we wanted to stage it was because of the complexity of having to incorporate Temasek into the framework because Temasek is quite different from GIC. It does not invest in public markets. It is largely in the private equity space and therefore we had to take some time to work out how Temasek could be part of this framework.

We always knew that there was going to be additional resources. I mean, that is to be expected, right? Once you put Temasek into the framework, obviously there would be additional resources.

So, the intent was made clear from the outset. The reasons why we had to take time was because of complexity more than anything else. And in recognising that, yes, we have growing needs, this additional resource will be helpful.

But the point remains, having finalised the framework, with Temasek in as we had originally intended, let us stick to the rules and let us keep that system going for now. Maybe many, many years down the road, we will have a rethink, a review, we will have new information, circumstances will change, and we will all have another discussion with maybe a different Finance Minister.

But for now, the rules are sound. Let us stick to this. And if the Workers' Party agrees with that, then, hopefully, we can channel all our energies productively in thinking about how best to manage our rising expenditure needs without having to come back to the same old points about using more reserves.

Mr Leong Mun Wai: Point of order, Sir, point of order. I am not asking new questions but the Deputy Prime Minister did not answer any of my four questions. Can I just request that he answer two questions? I will take care of the other two, at the Committee of Supply.

2.57 pm

Mr Deputy Speaker: Mr Leong, I listened to your clarifications quite carefully. I think they amounted to four or five. We have ended with the Leader of the Opposition and we have gone for more than an hour of clarifications. It is the decision of the chair that the question will be put to the House.

Question put, agreed to.

Resolved, "That Parliament approves the financial policy of the Government for the financial year 1 April 2023 to 31 March 2024."

Mr Deputy Speaker: Order. I propose to take a break now. I suspend the Sitting and will take the Chair at 3.20 pm.

Sitting accordingly suspended

at 2.58 pm until 3.20 pm.

COMMENCEMENT TIME OF COMMITTEE OF SUPPLY
(Announcement by Mr Speaker)

3.20 pm

Mr Speaker: Order. We have completed the debate on the Budget Statement. We are now going into the Committee of Supply to debate the estimates. I have revised the commencement time of the Committee of the Supply to start immediately.

With a change in commencement time, the revised "guillotine" time for Head U – Prime Minister's Office, is 6.15 pm. Hon Members will be notified of the revised conclusion times for the subsequent Heads of Expenditure.

ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 1 APRIL 2023 TO 31 MARCH 2024

(Committee of Supply – Paper Cmd 20 of 2023)

Order read for consideration in Committee of Supply [1st Allotted Day].

[Mr Speaker in the Chair]

3.21 pm

The Chairman: Main and Development Estimates of Expenditure of Singapore for the financial year 1 April 2023 to 31 March 2024 contained in Paper Cmd 20 of 2023. For convenience, I shall take the totals for each Head of Expenditure in the Main and Development Estimates as they appear in the last columns of the schedules of estimated expenditure under the Main and Development Estimates Outlays for FY 2023 on pages 6 and 7 respectively of the Command Paper.

A total of 661 amendments to the Estimates of Expenditure have been submitted this year. The guillotine times to the discussion of the Heads of Expenditure under Standing Order 92(7)(a) have taken into consideration the earlier commencement time of a Sitting, the reduction of Question Time and the extension of Sitting times of the Committee of Supply for each allotted day.

I must remind hon Members that the total time for discussion of each Head of Expenditure includes the replies from the front bench. With the assistance of the digital timer in the Chamber, I trust that hon Members will be able to keep to the speech times indicated against their amendments. I would urge hon Members both from the back and front benches to adhere to their time limits as I will be stringent in my time-keeping.

I shall deal first with the Heads of Expenditure in respect of which amendments stand on the Order Paper Supplement.

COMMITTEE OF SUPPLY – HEAD U (PRIME MINISTER'S OFFICE)

(A forward-looking Government)

The Chairman: Head U, Prime Minister's Office. Prof Koh Lian Pin.

3.21 pm

Significance of COP27 and COP28

Prof Koh Lian Pin (Nominated Member): Chairman, I beg to move, "That the total sum to be allocated for Head U of the Estimates be reduced by \$100".

The 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27) held in Egypt last year was set against challenging global geopolitical and economic conditions. Despite this, countries were able to deliver a package of decisions that reaffirmed their commitment to limiting global warming to 1.5°C above pre-industrial levels, adapt to the unavoidable impacts of climate change and increase support for finance, technology and capacity building for developing countries.

Can the Minister share the significance of COP27 for Singapore, the Singapore delegation's contributions to the conference and expectations for COP28 to be held in the United Arab Emirates later this year?

Question proposed.

Climate Ambition

Ms Poh Li San (Sembawang): Rising sea levels pose an existential threat to an island nation like ours. We must do our utmost to contribute to global efforts to combat climate change.

On the other hand, we have very limited natural resources to generate green energy and rely heavily on traditional energy sources to keep the lights on and even to produce NEWater.

How can we balance the needs of our economy to protect livelihoods and to mitigate climate change and the rising sea level threat?

What factors did the Government take into consideration when it raised our climate targets to achieve net-zero emissions by 2050? How was the decision reached to reduce emissions to around 60 MTCO₂ in our revised 2030 Nationally Determined Contribution (NDC)?

These are ambitious goals, considering that we are a high-density city state and international hub operating one of the busiest seaports and airports in the world. Our value-added manufacturing, particularly in the chemicals, electronics and precision engineering sectors, our financial services sector, the information and communications industries are all energy intensive.

Hence, I would like to ask how confident is the Government of achieving our climate targets while maintaining economic growth? How will we manage the green transition and enforce compliance? What are the Government's key strategies and policies that will help Singapore peak emissions earlier and reach net-zero emissions by 2050?

I am concerned about the impact on our small and medium enterprises. Would the Government provide an update on the measures to reach out to our SMEs and guide them in their journey to transform their operations and reduce carbon emissions?

The Chairman: Mr Louis Ng. You can take your two cuts together.

Net Zero by 2050

Mr Louis Ng Kok Kwang (Nee Soon): Sir, I welcome the commitment to achieve net-zero emissions by 2050. I also commend our revised 2030 Nationally Determined Contribution, which was submitted after a public consultation.

I also thank the many activists and individuals on the ground who have worked tirelessly over many years for Singapore to be more ambitious on our climate goals.

In my speech last year, I shared the stories of Esther from CDL, Lastrina, Cheryl and Swati from SYCA, Xiang Tian from LepakinSG and Wei-Shan from YP. There are many others fighting alongside them. They hold us accountable to our promises to future generations.

Net-zero emissions by 2050 is an important but not an easy goal. The public sector has committed to taking the lead of achieving net-zero emissions around 2045.

Can the Government share how it intends for the public sector to achieve net-zero emissions by 2045 and for the nation to reach the goal of net zero by 2050?

Climate Support for Businesses

Achieving net zero by 2050 has to be a whole-of-nation effort involving the Government, civil society, businesses and individuals.

In 2021, the industrial sector and energy sector collectively contributed to 88% of Singapore's greenhouse gas emissions. While we encourage individuals to adopt low-carbon practices, efforts directed at the industrial and energy sectors will have the most impact on our nation's carbon emissions. Additionally, transitioning to a green industry will create more jobs.

Can the Government share how it will move away from emissions-intensive industries? Will the Government provide a roadmap for the nation in achieving net-zero emissions by ensuring that all 23 industry transformation maps are reviewed with the goal of net zero by 2050?

Climate Ambitions

Dr Lim Wee Kiak (Sembawang): Chairman, our Singapore Green Plan 2030 was launched in 2021. There is no lack of publicity about our efforts to achieve net-zero emissions and we have invested in various infrastructure projects such as electric vehicle (EV) charging points, the use of EVs, promoting green buildings and offering grants for energy efficient technologies, among others.

These were commendable efforts and we have thus far kept up with the momentum, although it was eclipsed shortly by the outbreak of COVID-19.

Today, we have learned how because of high energy prices, some countries have taken a step back to using coal to supplement their use of fossil fuels. But there are also countries that stepped up their effort in moving forward to use clean energy and invested heavily in wind, solar and others.

In fact, nearly half of the world's low-carbon spending took place in China last year, according to one research.

Every one of us has a part to play in our Green Plan 2030. I would like to ask what is the Government doing to help individuals, households and businesses to play their part in the Singapore Green Plan and the transition to a greener, more sustainable economy? What Government support is there to help in this transition?

From the individual's perspective, how will the Government ensure there are good jobs and good growth opportunities for Singaporeans amidst this Green transition from a little red dot to a little green dot?

3.30 pm

Good Jobs and Opportunities for the Affected

Mr Gan Thiam Poh (Ang Mo Kio): Chairman, as we transition to become a green economy, new jobs and business opportunities will be created in almost every sector, ranging from engineering to finance, manufacturing to trade, services to construction.

At the same time, certain jobs and businesses will become obsolete. Workers and staff who are unable to adapt will risk unemployment. Traditional enterprises that fail will affect livelihoods and invested capital and funds.

How will the Government support workers who will be affected by the green transition? Will the Government share an update on the training and education measures to facilitate the preparation of workers for good jobs and career paths in this nascent sector? What initiatives are available to promote and support green businesses to encourage Singaporeans to explore such new opportunities?

Mr Chairman: Senior Minister Teo Chee Hean.

The Senior Minister and Coordinating Minister for National Security (Mr Teo Chee Hean): Thank you, Mr Chairman.

I speak as Chairman of our Inter-Ministerial Committee on Climate Change (IMCCC). The IMCCC works very closely with the various ministries, and the ministries, in turn, work very closely with the sectors that they are responsible for, and in particular, we work very closely with Minister Grace Fu and the Ministry of Sustainability and the Environment (MSE).

Today I will give a broad overview and each of the Ministries will elaborate, in detail, on the plans that they have specifically.

Reducing global greenhouse gas emissions is urgent. The Inter-governmental Panel on Climate Change's Sixth Assessment Report warns that after 2030, it will become increasingly difficult to limit global warming to 2°C and we will face heightened and more complex climate risks.

At COP26 in Glasgow, countries pledged to act. But recent conditions have made it more difficult to stay the course. Russia's invasion of Ukraine, exactly a year ago, disrupted energy and food supplies, causing energy and food prices to increase in many countries.

Despite these external challenges, Singapore decisively stepped up our efforts against climate change last year. In Budget 2022, we announced Singapore's intention to raise our climate ambition. In October, after several months of public consultation, we formally revised our climate targets. We will reduce our emissions to around 60 million tonnes of CO₂ equivalent in 2030, after peaking our emissions earlier. We also committed to achieving net-zero emissions by 2050.

Ms Poh Li San asked about the considerations for raising our ambition – after all, we also are affected by external events and Singapore, as a small, alternative energy disadvantaged city-state, faces natural limitations on our climate action measures.

Mr Chairman, first, climate change is an existential threat for us here in Singapore. As a low-lying island, we are vulnerable to rising sea levels. Being densely built-up, we are prone to trapping heat in our urban environment. Climate change poses risks to our biodiversity, food and water security, and public health.

To mitigate climate change effects on Singapore, we must engage other countries to reduce their emissions worldwide. We must do our best and do our part, so that we can shape international norms to bring us closer to our collective goals.

Finally, putting our climate ambition into action positions Singapore as a choice location for businesses and investors interested in participating in the regional green economy. This puts us in good stead to capture new economic opportunities in the climate transition.

Ms Poh Li San, Dr Lim Wee Kiak and Mr Louis Ng asked how we will meet our climate targets. The Government, through IMCCC, strikes a balance between ambition and practicality of action. And it will take a whole-of-nation effort. The Green Plan sets out how the Government, businesses and the community can work together towards a greener future.

The public sector will set the example by aiming to achieve net-zero emissions around 2045, five years ahead of our national target of 2050. This year, we will enhance our public procurement strategy and start making regular progress reports on public sector sustainability initiatives. The Ministry of Finance (MOF) and MSE will provide further details to this House.

We will also continue to forge international collaborations on climate action. Prof Koh Lian Pin asked about the significance of COP27 and COP28. Let me share two positive examples of how Singapore contributed and made a difference.

At both COP26 and COP27, Minister Grace Fu co-facilitated negotiations on Article 6. The Article 6 rulebook enables cross-border cooperation through carbon markets, for countries to jointly fulfil their national climate targets, making it more efficient and easier for countries to reduce their climate emissions and on a global level.

The inaugural Singapore Pavilion at COP27 showcased our homegrown companies, non-governmental organisations (NGOs), youths and academics, including Prof Koh, to the international community. For instance, Sembcorp Industries launched its carbon management platform, GoNetZero. And one of GoNetZero's partnerships, with OCBC Bank, encourages clean energy adoption and decarbonisation, starting with Singaporean companies and scaling up to the region. Overall, COP27 advanced workstreams to support the implementation of the Paris Agreement. And we will press on at COP28.

Mr Chairman, government action is necessary but not sufficient to achieve a low-carbon future. Businesses need to act as well, and we will partner them in their sustainability journeys. The industry sector contributes over 60% of our overall carbon emissions. So, to reach net zero by 2050, we must decarbonise at every level – the economy, each sector and individual firms – so that our businesses are ready to thrive in the green economy.

Our carbon tax shapes economy-wide behaviour. The Government has specified carbon tax levels up to 2027 and a range of \$50 to \$80 per tonne of CO₂ by 2030. All of us must now factor in the cost of emitting carbon. And now that the carbon tax levels are known, companies can also plan with greater predictability.

This will make greener modes of production, investment and living more desirable. The carbon tax collected will continue to support businesses and households. We will invest in green technologies and infrastructure, extend energy efficiency grants to businesses, and cushion our lower- and middle-income households from the impact of the carbon tax on electricity prices with U-Save rebates.

The Government will enable the energy transition by securing greener sources of energy. Our National Hydrogen Strategy lays out the roadmap for the use of hydrogen which, with technological advancements, could potentially supply up to half of our power needs by 2050. In the meantime, we continue to see how we can import green electrons.

Mr Louis Ng asked about support for industry. Aside from economy-wide moves, such as carbon tax and decarbonising our grid, we will also help sectors reorient towards greener production and develop competitive advantages in growth sectors.

As a financial hub, Singapore has a head start in green financing services. Our industry sectoral roadmaps consolidate common challenges, allowing scale-up of promising initiatives and guide companies in positioning themselves to capture opportunities. The Ministry of Transport (MOT) and Ministry of Trade and Industry (MTI) will update this House on the sustainability plans for the transport and tourism sectors respectively.

Every business, including small and medium-sized enterprises (SMEs), must be financially and environmentally sustainable in order to thrive in the long run, by decarbonising their value chains and accelerating their green transition. MTI will report on how we are helping SMEs to level up in areas, such as sustainability reporting and carbon accounting.

Small companies can drive sustainability efforts across their supply chains. One example is DTC World, a local SME specialising in corporate gifts. It champions sustainable procurement and promotes sustainable consumption and it has received multiple corporate sustainability awards. So, SMEs also can do their part.

Finally, Mr Gan Thiam Poh and Dr Lim Wee Kiak asked how the Government ensures that opportunities and good jobs for Singaporeans will be there amid the green transition. Many Singaporeans are passionate about sustainability – not many more than Mr Louis Ng. We will support you in challenging your passion towards making an impact.

For Singaporeans who may not yet have internalised climate change, understanding the implications of climate change on the environment and our society is the first step. The Ministry of Education (MOE) will elaborate on how we will nurture our young to become eco-stewards and live sustainably, with a focus on food sustainability in 2023.

We will also support Singaporeans to acquire green skills and improve their access to green job opportunities. MTI will describe how we will do so with industry players and training partners.

Mr Chairman, Sir, global climate action is urgent. All countries, including Singapore, must honour our shared responsibility for our planet earth. The IMCCC takes a whole-of-nation view to make sure our efforts are comprehensive and coordinated. Businesses, communities and individuals have a key part to play.

The climate transition will be challenging, but it will be a rewarding journey, with opportunities for us to innovate and reimagine a greener and more sustainable future. So, let us work together, towards a better and greener Singapore.

The Chairman: Ms Mariam Jaafar.

Population Strategies under Forward Singapore

Ms Mariam Jaafar (Sembawang): Mr Chairman, the Government has embarked on the Forward Singapore exercise to refresh and renew our social compact. It is an opportunity for Singaporeans to take part in a national conversation on the values, priorities and policies we want to see going into the future. Implicit in a discussion on social compact though, is the notion of a society, but what does that society look like? What is the size and make-up of the population, what are the population dynamics and what are the impacts on our social and economic development?

The Government would, no doubt, have received a lot of views on population issues over the course of the Forward SG exercise: views on immigration policy, ageing population, encouraging marriage and parenthood, for example. How has this informed the refinement of our population strategies? And how do our population strategies support the refresh of our social compact.

Overall Population Strategies

Ms Ng Ling Ling (Ang Mo Kio): Mr Chairman, Singapore's population continues to age rapidly, with low birth rate and longer life expectancies. This means that soon, the number of citizens in the working ages could decline, a phenomenon that some other Asian countries, like Japan and China, are already facing.

According to a recent study in 2021 on the long-term projections of economic growth in 47 prefectures of Japan, Japan's population's aging and decline has catastrophic impacts on the national and subnational economies. In its most pessimistic modelling, with zero immigration growth and without significant improvement in productivities, Japan's GDP can decline to levels back in the 1970s.

While we know and have been confronting the rapidly ageing population with low birth rate problem for some time now in Singapore, does the Government perform similar modelling and long-term projections, to understand what are the degrees of changes we need in productivity improvement of our resident workforce and immigration policies, to reach what target GDP growth for the next five to 10 years?

Given that we have a much smaller population compared to Japan, if our Government has similar modelling and long-term projection exercises, do we involve our people in the process of formulating the models, and discussing the scenario options and opportunities?

If we do not have such co-creation process yet, can the Government consider developing one with the opportunities for a significant number of Singaporeans outside the Government, including both young and old, to be part of the process? The advantage of such an approach, guided by population projection experts and Government officers, is that more Singaporeans can have a deeper understanding on the issues and trade-offs, and own a stake in co-creating a future scenario that we aspire for our country and our future generations. I hope that the Government will consider my suggestion.

Supporting Marriage and Parenthood

Mr Yip Hon Weng (Yio Chu Kang): Chairman, one of the biggest takeaways from this Budget is that it is pro-family. Some young parents have provided feedback to me that the Budget policies do help to ease cost of living and promote work-life balance for families. However, they also voiced some concerns.

Firstly, we have heard from many Members from this House who have voiced concerns about the changes to the Working Mother's Child Relief (WMCR). How does the Government intend to better communicate the intent of these policy changes?

3.45 pm

In addition, how does the Government intend to encourage middle-income families with mothers in PME jobs to remain in the workforce after giving birth, as they have much to contribute to the economy?

The lapse of the FDW levy tax relief may also be interpreted as a signal that the Government is reducing support for working mothers. Such tax reliefs make a significant difference to household finances, especially for families with more than one child. I hope the Government can shed more perspectives about these policy changes.

I appreciate the acknowledgement that monetary support alone has a limited impact in incentivising working mothers to have children. Ultimately, a rounded approach is needed to create a conducive child-rearing environment. This is where changes like increased Government-paid paternity leave come in. What can we learn from other countries' best practices, to improve the Government's strategies to encourage Singaporeans to settle down and have children? How can we encourage the wider society, such as employers and communities, to play a part in engendering a more family-friendly environment? What are the measures of success for this?

The Chairman: Ms Hany Soh. Not here. Prof Hoon Hian Teck.

Work From Home and Family Life

Prof Hoon Hian Teck (Nominated Member): Mr Chairman, Singapore's total fertility rate (TFR) declined from above five in 1960 to around replacement level by the mid-1970s and has remained below replacement level since.

The decline in the TFR as a country becomes richer appears to be a fairly general phenomenon across countries, as people become richer, they choose to have fewer children, but make heavy investment in their children's education.

Given the past trend of TFR, the growth of Singapore Citizen workforce will slow down and its size will be expected to shrink at some point. If innovation requires creative and talented people and if the probability of being a creative and talented person is independently distributed among people, then it follows that a greater number of creative and talented people would be found within a larger population. If it is people who create ideas, then a decline in TFR means a shrinking workforce, which is likely to reduce the flow of innovative ideas.

Another point comes from recognising that, at any given moment in time, there coexists different generations of people within a given population. There is a certain number of young people who work and who have the capacity to pay taxes that fund items, such as health subsidies, that are predominantly received by a certain number of old and retired people. A decline in the population size thus reduces the tax base supporting each old and retired person, making it desirable to increase population growth.

The question that can be asked is: what can be done to take advantage of work-from-home (WFH) arrangements to bolster family life and contribute to boosting the total fertility rate? Arrangements, such as flexible work schedule and telework, are sometimes said to be ways to improve work-life balance. However, when workers schedule flexibility comes together with working long hours, this may lead to less job satisfaction and diminish ability to manage family life.

It appears that doing part-time work has tended to be the primary means for workers, especially women, to achieve work-life balance. However, COVID-19 has quite unexpectedly enabled the business sector and public sector to conduct a natural experiment to test whether work can be productively done when most employees are working from home. There is some evidence that WFH, whereby employees work a mix of days at home and at the workplace each week, improves firms' retention rates and workers' job satisfaction and productivity. It is also striking that preferences for WFH arrangements are stronger among women with children.

Thus, employers across the whole economy might find it profitable to introduce some form of WFH arrangement in the workplace, even post COVID-19. The organisation of work, as well as the promotion and compensation system, might be adjusted to enable workers who have a better control of their work schedule, while keeping their full-time employment status.

While the slew of policy measures already in place to boost total fertility rate, including parental leave, childcare subsidy, child tax reliefs and the Baby Bonus remain important, what systems-wide approach can be taken to ride on the momentum of the aforementioned natural experiment to facilitate the achievement of our citizens' career goals and satisfying family life with children?

The organisation of the school system affects the behaviour of parents. A perennial problem faced by parents is the amount of time that they feel they need to give to help their children with school homework. Is it possible to introduce time in school after formal lessons, so that outside-the-school trained personnel can be hired with government subsidy to supervise these children with their homework? Then, when the children return home from school, the parents can devote their time to bonding activities with them. With support from the Government, family day activities can also be organised during the weekends to further enrich family life.

To be able to work regularly on certain days in a week from home and being relieved to some extent from the need to supervise their children's homework, will allow parents to adjust their parenting style and possibly, their decision about having another child.

Mr Chairman, an unexpected consequence of COVID-19 is that at a societal level, we found digital means to perform work-from-home at a reasonably productive level. As husbands and wives find the employment landscape in the post COVID-19 world, potentially allowing them to spend more time at home, this could provide an opportunity to put in place policy measures to influence parenting styles and their decision on childbearing.

The Chairman: Mr Louis Ng, you can take all your cuts together.

SG Made for Families – Equal Parental Leave

Mr Louis Ng Kok Kwang: Sir, last year, Minister Josephine spoke in this House about whether paternity and maternity leave should be equalised to better reflect the desire for equal sharing of responsibilities.

She said, "Questions like these should not be forgotten. Every now and then, we should revisit them. And even if we do not, Mr Louis Ng will make sure that we do". Sir, I am here to fulfill this prophecy and make sure we revisit this important question.

Like many, I am happy we have doubled paternity leave. As Minister Indranee knows – and she bore the brunt of my repeated questions – I have fought for this for many years.

As we celebrate this good news, and I do not want to sound too greedy, we need to ask for more, 12 more weeks of paternity leave.

We should remember that an IPS research found that our family policies continue to signal that childcare is a woman's responsibility and reinforce gender stereotypes. We should not do this overnight but can gradually increase paternity leave over many years. Will the Government commit to this and announce a roadmap for equalising the leaves?

SG Made for Families – Paternity Leave

The times I spent with my children during my paternity leave were precious time. It is time we can never get back. I am glad we have doubled paternity leave, but we urgently need to look into increasing the usage of paternity leave.

As the Deputy Prime Minister said, "We want paternal involvement to be the norm in our society and we will stand behind all fathers who want to play a bigger role in raising our children."

Indeed, we should but we know that only about half of fathers use their paternity leave and the key reason for this low uptake is the lack of workplace support.

Can we do more to help our employers, similar to how the Ministry of Defence (MINDEF) supports employers when it comes to reservist obligations? Can the Government work with companies more closely and consider more incentives to ensure their employees use both their paternity and maternity leaves?

SG Made for Families – Childcare Sick Leave

Parents struggled during the pandemic to find time to look after their children who had COVID-19 or when their schools closed.

Things are not getting any easier as we emerge from the pandemic. For many, the lack of time to look after their children continues. Worse still, Hand Foot and Mouth Disease (HFMD) is back which can keep children away from school for about two weeks.

I experienced this first-hand when all my children got HFMD previously and COVID-19.

The Government knows many parents are begging for childcare sick leave. The Government knows how important this leave is and already gives it to public servants. I have been calling for childcare sick leave for many years because both our children and our parents need this. They need this breathing space.

I am sure Minister Indranee agrees as well. And I agree too that we have to balance this with the needs of businesses, especially SMEs.

Will PMO form a citizens' workgroup to look into recommendations about childcare sick leave that will address both the concerns of working parents and businesses?

SG Made for Families – Fertility Leave

One of the best journeys has been my parenthood journey. I am grateful that I have three healthy, happy and crazy girls and I proudly share many stories of Ella, Katie and Poppy in this House.

But I have three children only with the help of IVF which is a physically and emotionally painful journey. We can do more to help those undergoing IVF.

IVF is extremely stressful for both husband and wife. One doctor shared that some female patients were not allowed time off from work for their fertility appointments. He has also shared he met some men who break down because they do not know how to accompany their wives without employer support. Some women may end up leaving the workforce because of this lack of workplace support.

The Government has urged employers to be sensitive to couples undergoing IVF. But we need to do more than just urge.

As we create a Singapore made for families, the Government can do more to help employers be more sympathetic by introducing gender neutral fertility leave. This will support couples, send employers a clear signal, and trigger mindset shifts in the workplace.

And finally, this pandemic has shown that working from home is possible. Through many surveys, we know that people want this option. The Government has also shared many times how flexible work arrangements (FWAs) help businesses.

In his Budget speech, Deputy Prime Minister said that FWAs are a key component in helping parents manage work and family commitments.

We cannot have a Singapore made for families without FWAs. I know we are implementing the tripartite guidelines next year. The question is, why wait so long?

Businesses already had the experience of the past three years to structure themselves around FWAs. There is no better time than now to lean into FWAs.

Can we implement the tripartite guidelines on FWAs this year and also consider legislating the guidelines instead of having them only as guidelines?

I should also say that I have spoken up so much about giving time because I have lost time. My dad passed away just before his retirement, before he could spend time with his family after working so hard his whole life. I lost time with him that I will never get back. I want to make sure no one goes through the pain I went through and still go through each day.

Giving childcare sick leave, paternity leave, parent-care leave, fertility leave and all the other leaves I fought for is not just about the minutes and seconds, but about giving people precious time to spend with their loved ones while balancing work commitments.

Supporting Parenthood via Parental Leave

Mr Chua Kheng Wee Louis (Sengkang): After hitting a recent high of 1.96 in 1988, Singapore's TFR has been steadily on the decline, down to new lows of 1.1 and 1.12 in 20 21 and 2022 respectively.

While our enhancement of the baby bonus scheme in Budget 2023 is welcomed, it is time we adequately address the root cause of the low fertility problem and tackle the concerns of parents and would-be parents alike. More policies and spending should therefore be directed towards tackling deep societal, cultural and institutional issues that currently discourage women, with agreement from their male partners, from taking part in procreation.

First, address stereotypes of gender roles and establish the idea of equal shared responsibilities. Based on the Ministry of Manpower (MOM)'s Labour Force in Singapore 2022 Report of caregivers who are outside the labour force, a dominant 89% were females. If we work on entrenching equal shared responsibilities, young mothers, who fear loss of time, identity, personhood and even employment, means they have more time to rest, pursue their aspirations and contribute to the community at large. Meanwhile, men who try to take on greater responsibilities for caregiving will be able to put aside their fears of being discriminated against in the workplace or facing backlash for the lack of perceived work commitment.

Earlier this year, I received an email from my company's HR to update employees about the parental leave enhancements from 2023. The firm is extending and increasing the flexibility of parental leave with all parents benefiting from 26 weeks of fully paid leave for primary caregivers and six weeks for secondary caregivers. This is regardless of the gender of the employee and there is also the option to take this flexibly over 12 months.

I understand that even Temasek has raised its paternity leave to about four months and maternity leave to about six months. While not gender-neutral, nonetheless, it sets a workable example for the Government to follow when it comes to adequately giving prep time for parents to play their caregiving roles. More importantly, it takes a village to raise a child and we should go beyond merely adopting a practical approach to calibrating childcare leave provisions.

In Singapore, true flexible work arrangements only began commonplace due to COVID-19. But that trend is worryingly reversing again. According to a June 2022 UOB study, almost half of Singaporeans have returned to the office full-time even though more than 80% prefer some form of flexible work arrangements. I fear that that number is much higher today.

A fellow Singaporean who is a new mother currently on maternity leave emailed me about some thoughts which resonate with me. She shared her how she was lacking the intellectual stimuli and adult social interaction that came with work. But meanwhile, her husband faced opposite problem. Back to work too soon, he kept thinking about the time he was not spending with his daughter.

Let us push for longer gender-neutral parental leave at a policy level for the country and empower new parents with the choice to share parental responsibilities.

4.00 pm

Children Development Account

Mr Muhamad Faisal Bin Abdul Manap (Aljunied): Sir, the Child Development Account (CDA) was introduced in April 2001. The objective is to assist parents to lighten their financial commitment in raising children.

The CDA scheme consists of two components: First Step Grant and Government co-matching. In this year's Budget Statement, it was announced that there would be an increase in the First Step Grant from \$3,500 to \$5,000. Secondly, the co-matching caps have been increased to \$4,000 for the first child and \$7,000 for the second child, an increase of \$1,000 respectively. CDA funds can be utilised at approved institutions for approved expenses, which includes basic educational fees, medical fees, purchases of vitamins and health supplements, optical appliances and payments for assistive technological devices.

I would like PMO to consider extending the use of CDA for purchasing milk formula and diapers. Parents are spending a substantial amount monthly on these two essential items. According to a recent report in The Straits Times, the price of a tin of infant milk formula can go as high as \$113.35 for a 1.8kg tin. In April and May 2017, many parents had voiced concerns on the price hikes for infant milk formula, asking for regulation of price and fair pricing. These calls were also heard in this Chamber. The cost of infant formula has not gone down since then.

I understand that the Government would like to encourage breastfeeding of newborns and infants, but many parents have to rely on infant formula for various reasons.

Sir, for many low-income families, diapers and infant formula are a significant financial burden. Adding milk formula and diapers to the list of approved items would be much welcomed and bring relief to many parents, especially those from low-income households.

Anti-corruption and Fertility Measures

Ms Hazel Poa (Non-Constituency Member): Mr Chairman, two weeks ago, on 6 February 2023, Minister Indranee answered Parliamentary Questions on the decision not to prosecute the Keppel & Offshore Marine (KOM) executives involved in a corruption case. She said that it was standard practice not to issue any statement if law enforcement agencies decided not to proceed after an investigation. But if anyone has questions on the decision, the matter can be raised in Parliament.

However, the answers given by her in Parliament were far from satisfactory.

The US succeeded in prosecuting KOM and imposed a huge fine of US\$422 million. But we were told CPIB is unable to find sufficient evidence to prosecute. Surely we would want to know in more detail why we have failed where others have succeeded. We want to know what were the facts uncovered during the investigation and which could not, which led to the decision not to prosecute.

The Minister's replies to several questions were however evasive, uncertain or "I don't know". Let me give a few examples.

When asked by the Leader of the Opposition whether the Board of Keppel at the time when corrupt payments were made were aware, the Minister replied that she cannot answer for Keppel. We are not asking the Minister to answer for Keppel, we are asking for the result of CPIB's investigation. Whether or not constructive knowledge is an offence is beside the point. Corruption is an offence and during their investigation of this offence, surely, CPIB would make it a point to find out which decision makers were aware of the act. Did CPIB look into this? If they did, what was the result?

When asked about the mutual legal assistance (MLA) requests, she replied that she does not know all the details of the MLA but that for at least one or two of the latest ones there were no response.

When asked about the witness who changed his tune, her answer was again uncertain: "I think the answer is yes" and "I do not have details of what exactly was said".

When asked whether the six KOM executives involved were aware of and authorised the corrupt payments, she replied that she did not know because she did not conduct the investigations.

Whilst the Minister claimed that anyone with questions could raise them in Parliament, she did not come into Parliament equipped with sufficient facts or knowledge to answer those questions. This does not help the public maintain trust and confidence in our enforcement agencies.

Our zero-tolerance policy on corruption is there for good reasons. If we stand by while corrupt companies win contracts and prosper, while more capable but uncorrupt companies lose out in the competition, what kind of world are we moving towards?

Will the Minister consider appointing a committee to consult the public on what questions they want answered and to get the answers to those questions from the relevant agencies? Transparency and accountability is the way to convince the public that the investigation was conducted professionally and competently, and the decision not to prosecute is a sound and impartial one.

Next, onto fertility measures.

I welcome the increase in paternity leave. Experience in some European countries has suggested that a more equal distribution of parental duties can help to improve the fertility rate.

Higher baby bonus is always welcomed to keep pace with inflation. But the Working Mother Child Relief continues to be a disappointment to stay-home mothers. Stay-home parents contribute to society as much as working parents. Will the Government consider introducing appreciation of the contributions of stay-home parents in the form of CPF top-ups?

Miss Cheng Li Hui (Tampines): Chairman, we often have seniors appealing for PRs or citizenship as the rest of their families already are. Take for example, at last Monday's Meet-the-People's Session, Mdm Wong appealed for her mother's PR as they have been residing in Singapore since 1984. Her father, siblings and families are all Singaporeans except for her mother. Will ICA consider more favourably on seniors' PR applications especially those who have been residing in Singapore for decades and with strong family ties here?

During the Committee of Supply debate in the last two years, Minister Indranee mentioned that the numbers of new citizens and Permanent Residents (PRs) granted in 2020 and 2021 were impacted by COVID-19-related travel restrictions and safe management measures. What were the numbers of new citizens and PRs granted in 2022 and were these numbers still impacted by COVID-19?

Population

Mr Gan Thiam Poh: As one of the fastest ageing countries in the world, how are we ensuring that we have enough youths and working adults to support the expanding cohorts of the elderly? Do we have an optimal old age dependency ratio to target at? Is the Government prepared to review policies to reduce the old age dependency ratio through boosting our birth rates, attract Permanent Residents or new citizens?

The Chairman: Ms Tin Pei Ling. Both cuts, please.

Realising Digital Benefits Inclusively

Ms Tin Pei Ling (MacPherson): Sir, our citizens and businesses transact with the Government every day. Government services are therefore very much part of our everyday life. Building on a strong foundation of efficiency, our Government has been on the e-Government journey since the early 1980s.

Today, our Government has achieved much and won international acclaim. From e-government then to digital government today, we should continue our efforts to make Government services more convenient, user-friendly and at a lower cost for our citizens.

In this vein, I would like to ask, what is the current progress of the “Smart Nation and Digital Government” efforts and how have citizens and businesses benefited from these efforts?

Sir, our digitalisation efforts today are for the youths today and seniors tomorrow. While our population is increasingly digitally savvy, we still have a generation of senior Singaporeans who struggle to keep up with the pace of digitalisation, despite everyone's best efforts. Some are fearful of being left out and left behind totally. We need to give them enough assurance so that they do not reject digitalisation altogether. Hence, I would like to ask if the Government will continue offering non-digital options for seniors to fall back on?

Next Bound Digital Infrastructure

The implementation of National Digital Identity (NDI) has been successful and very useful. With a mobile phone and data connection, much can be done from wherever and whenever. With utilities such as the NDI, not only is convenience of services and transactions enhanced, security is improved too. It also enables more ground-up innovations.

MacPherson Care App, for example, used MyInfo to make registration of seniors and volunteers much easier and more seamless. And it also enabled us to verify identities, making it safer for seniors who may be served by the on-demand volunteers whom they could be unfamiliar with. So, this solves a key problem for us when we were designing the app.

Can the Government share more about the efforts in investing in the next bound of digital infrastructure and utilities, so as to support our Smart Nation drive?

Data is fundamental to innovations. The Government holds a diverse and vast amount of data, but such data is not easily accessible, and understandably so, by non-government entities – such as community organisations hoping to do better for the community and businesses pursuing quality innovations – and this is perhaps also so between Government agencies as well.

Adequate data protection is most certainly necessary. But how can we avail some or more of such data in a secured environment that allows experiments and product testing, without compromising data privacy and security? Could the Government share more about the data sandbox? And given the emergence of technology such as blockchain and cryptography, might there be scope for more curated Government data to be accessed in a safe, controlled and anonymous manner?

Bringing Seniors on the Digital Journey

Mr Seah Kian Peng (Marine Parade): Since June 2020, more than 130,000 seniors have gone through the Seniors Go Digital Programme.

Making digital and online services a way of life is not a one-off effort. It requires constant tending. How is the Government ensuring that people who are less digital savvy are not left behind in our drive towards a Smart Nation?

I have two suggestions and one request.

First, can we consider more resources to provide peer support to trainers? That is, for seniors to train one another in learning how to communicate and transact online. Given their similar life experiences, they understand how best to keep each other safe from scams.

Second, has Government carried out any surveys among seniors on their most urgent needs, in relation to digital inclusion? And what proportion of the elderly require such help?

And my one request is a very simple one, and it is to ensure we never have an only digital programme, at least not in the short term. We need to bring everyone along.

Enhancing Digital Services Experience

Ms Jessica Tan Soon Neo (East Coast): Mr Chairman, digital services are now becoming essential in Singapore. Ease and confidence of using digital services does encourage the use and adoption, especially for the less digitally savvy.

Can Minister share the Government's assessment of the digital services experience for Government services? For less digitally savvy users, what is the level of adoption of essential digital services? How are we leveraging technology to make the digital services experience more natural and human or intuitive? What are the design considerations for Government digital services?

There are clear benefits of reach, access and speed to making digital first our strategy. While we advocate digital to improve the delivery of Government services, I hope that we do not move to being digital only. This is not just to ensure that physical access to services is available and that no one is left behind, but also to recognise that engagement with citizens is one that has many touchpoints and channels. What is important is how we integrate the experience of citizens and their access to services through the various touchpoints. Digital is a channel for engagement and delivery of services. The focus is serving the needs of citizens and enabling the best delivery of services to meet the needs of citizens.

Can Minister share the Government's plans to make it easier for people to use digital services and apps to improve their digital experience? A common complaint when accessing Government services is not knowing which agency to go to or having to deal with different agencies.

Digital can enable collaboration across agencies and integration of the user experience to deliver a more seamless experience. An important element of the digital experience is availability of support or helpline when there are questions or when the service does not go as planned. Can Minister also share the structure of support for help for citizens when the service experience does not go as planned?

Protection against Cyber Threats

Mr Alex Yam (Marsiling-Yew Tee): The world – commerce, communications and much of how we live our life – are now inextricably intertwined, bound together in the digital sphere.

Into this mix, the murky underbelly of the real world has replicated itself into the digital one. Cyberthreats are now part of the digital landscape. Crime has taken a new form. From identity theft, scams, ransomware, malware to national security threats. Complexity of combatting cyberthreats cannot be underestimated.

Singapore is an important node in this interconnected world. We are therefore a prime target, especially our critical information infrastructure (CII). We should focus on operational technology security, and it becomes ever more important and urgent for us to do so, to shelter our CII from increasingly sophisticated cyber threats.

I therefore ask the Ministry, what threats have been detected and stopped during the past year? What is the Government doing to strengthen and protect our digital systems and how our citizens can also play our part in helping in that process?

4.15 pm

Unlocking Opportunities with SNDGG

Mr Sharael Taha (Pasir Ris-Punggol): Mr Chairman, at the Smart Nation Summit week closing dialogue in 2019, Prime Minister Lee in his speech mentioned for us being a Smart Nation is not about flaunting glitzy technology. But it is about applying technology to solve real world problems that would make a difference to people's lives and across the whole-of-society.

One of the roles of the Smart Nation and Digital Government Group is to develop digital enablers and platforms to raise economic productivity and catalyse innovation.

SNDGG has rolled out many projects to test technologies such as the personal alert button to help the elderly seek help, the lift monitoring system in Town Councils, the computer vision drowning detection and also develop technologies that we are now regularly using such as Life SG, PayNow and Digital IC.

Given that there are many proofs of concepts and technologies already developed, how can SNDGG partner and engage businesses and the community so that the businesses and the community can tap on the opportunities brought about by these technologies as we collaboratively work towards the next bound of Singapore as a Smart Nation.

How can we use this ecosystem of partnership between SNDGG, businesses and the community as a comparative advantage in light of rising business costs and increasing competition in attracting investments around the world?

Voting Age

Ms Sylvia Lim (Aljunied): Sir, I call for the lowering of the voting age from 21 to 18 years to empower younger Singaporeans to have a say at our National Elections.

I first raised this 16 years ago during the Committee of Supply debates. I pointed out at that time that the majority of countries have already lowered their voting ages to 18.

In response, then Law Minister Prof S Jayakumar highlighted that Malaysia's voting age was also 21 and Japan's was 20. Today, these two countries have also lowered their voting age to 18, Malaysia in 2019 and Japan in 2016. Therefore, today, Singapore is becoming an outlier in keeping the voting age at 21 years.

Of course, we do not need to blindly follow the policies of other countries. So, we must question the rationale for Singapore's stand. What is so unique about our youths aged between 18 and 21 that they should not be entrusted with the vote? The answer from the Government more recently can be summarised in three points.

First, it is said that voting requires experience and maturity and only at 21 does a person come of age to make adult's decisions and engage in activities that involve significant personal responsibility.

Secondly, voting involves the election of the President who exercises custodial and veto powers and the election of the Government.

Thirdly, youths aged 18 to 21 are able to express their views through other platforms such as in Ministry of Culture, Community and Youth's Youth Action Plan.

Sir, clearly, these reasons are inadequate.

To the first point about only coming of age at 21, we already require those under 21 to engage in some very serious undertakings. Boys are enlisted into National Service by 18 years, required to carry weapons and vow to defend Singapore with their lives.

As far as taking significant personal responsibility where actions is concerned, today, if a young person above 18 commits a capital crime, he is liable to suffer capital punishment and be hanged.

Since our policies treat them as adults for these undertakings, how do we justify depriving these youth of a say at National Elections.

On the second point about voting involving the election of the President and the Government, is that not the whole point? It seems that most other countries trust their youths to vote for their president and government, but this Government does not.

As to the third point about being able to give feedback on the Government's youth action plans, I think we can all agree that giving feedback is not the same as having your vote counted at the National Elections.

Sir, the period from 2007 to now has seen momentous change. For instance, this House changed its position on section 377A of the Penal Code and decided to repeal it, noting that half a generation has passed.

I hope the Government will be similarly open-minded about lowering the voting age as well.

Conflicts of Interest

Ms He Ting Ru (Sengkang): Mr Chairman, strong institutions and good governance are key in ensuring continued political and economic progress. Singaporeans quite rightly expect high standards of conduct from our elected and public officials. Maintaining public trust is crucial for the effective functioning of our Parliamentary democracy.

How then can we better manage and minimise potential or even perceived conflicts of interest for our elected officials and in the Civil Service to ensure the integrity of our public institutions?

While the Parliamentary Act 1962 prohibits the over exchange of gifts and fees for influence in Parliament and civil servants are governed by a Code of Conduct which articulates key conduct principle and expected behaviour, the lack of public knowledge of how different interest groups are advanced and handled can lead to misunderstandings or speculations that damage the trust and standing of our elected officials and public institutions.

A possible way of managing and deterring potential conflicts of interest is to shine a stronger light of scrutiny on activities that serve to advance various interest groups.

Will the Prime Minister Office consider a mechanism to create and administer a public system of declaration for these purposes?

Taking the EU Transparency Register as an example, the ideas to open about what interests are being pursued, by whom and with what budgets? It requires that all organisations and interest groups that seek to influence directly or indirectly, policy-making EU institutions including elected officials are registered on the Transparency Register and need to follow a code of conduct. This system is not perfect, but it is a good start.

Of course, such mechanisms are not silver bullets. But if they are designed well, they can go some way to reduce real and perceived conflicts of interest. In doing so, they bolster the public confidence in our Public Service, Legislature and Government by enhancing understanding, full transparency.

Digital Transformation for Seniors

Mr Yip Hon Weng (Yio Chu Kang): Chairman, COVID-19 has taught us that technology can transform service delivery. But we can always do better and explore how technology can better serve residents.

One common feedback about Government e-services is that there are too many apps and systems in place. Many services are also embedded within agencies' websites, which makes them difficult to access. To complete a transaction such as getting a housing loan, one has to go through inter-related steps involving several Government agencies, before we can arrive at the process completion.

Surely, we can do more in terms of process mapping, to make the digital service journey more seamless to residents.

On a broader note, how can we also leverage on the benefits of new and emerging technology, such as generative AI, to turbo-charge Government services and processes?

One population segment that can certainly benefit from using technology to access Government services are seniors. However, they are hit by a double whammy. First, many are still not as familiar with technology as the younger generations. Second, many are concerned about online scams. For instance, I know some of my Yio Chu Kang seniors have missed critical Government announcements as all these are sent electronically, as emails or through Government service apps. Some seniors either do not know how to access this online information or are too afraid to click on the relevant websites for fear of being scammed.

How do we address these two dilemmas? One obvious response would be to push on with training and education, such as those offered by the SG Digital Office. We should also aim to go digital as much as possible, while keeping physical services and touch points available for seniors who are not digitally savvy, to access public services. How can we remain agile and resilient to uncertainties, while avoiding a tech divide?

Serving Citizens Better through Technology

Mr Saktiandi Supaat (Bishan-Toa Payoh): Mr Chairman, Singapore's success in responding to and managing unexpected emergency situations such as COVID-19 pandemic has highlighted the importance of having an adaptable Public Service. It includes working with the people and private sectors to tackle issues and Singaporeans' needs.

One key aspect of adaptability is the Public Service's openness to innovation and to embrace technology.

Technology has been deployed in the direct interactions between the Public Service and the citizens it serves. As Minister Josephine Teo shared at last year's Committee of Supply, the deployment of islandwide 1,600 vending machines enabled the distribution of 30 million masks, 1.3 million TraceTogether tokens and 2.5 million ART kits with automatic ID verification. Within the Public Service internally, technologies such as ChatGPT are being explored to further enhance efficiency – so that our delivery of public services maximises the value of every tax dollar spent.

With the proliferation of different tech solutions since the launch of Smart Nation in 2014, it is perhaps time for consolidation. The centralisation of different functions on a single platform would enhance the user experience of our citizens and make it easier for the Public Service to aggregate data and utilise AI to "push" integrated services from across different Government agencies to match an individual's specific needs.

How is the Public Service enhancing how we serve citizens better, including providing more personalised services centred on people's needs through technology, especially seniors and how is the Public Service planning to better partner people and private sector to stay agile and resilient?

Development of Public Officers

Mr Patrick Tay Teck Guan (Pioneer): This month marks a major victory in our fight against COVID-19 as we stepped down from DORSCON Yellow to Green. Over the course of the pandemic, the Public Service has responded well to the rapidly evolving situation. I want to place on record our thanks to all in the Public Service, including our union leaders in the public sector, for going the extra mile and for tirelessly seeing us through these three years of toil and trouble, and seeing us through the entire pandemic safe and secure to the admiration of many countries across the globe.

The COVID-19 pandemic has emphasised the importance of the agility of the Public Service, especially through enhancing officer's cross-deployability. For example, the National Call Centre for Mask Collection was stood up quickly by re-deploying many Public Service officers to the call centres to support the mask distribution efforts. These officers were not frontline service staff and had to be trained quickly to manage calls and address queries.

It also underscores the importance of developing a Public Service with officers equipped with multiple, diverse and future-ready skillsets that we can tap on quickly to address critical needs. These new skillsets also enhance the employment and employability of our officers in the Public Service.

On behalf of our unions and union leaders in the public sector, I wish to ask how is the Government supporting the growth and development of public officers so that officers can acquire diverse skills, and to ensure that Public Service remains ready, relevant and resilient – ready with the new skills, relevant to the new jobs and requirements, and resilient to the new changes and curveballs hurled at us?

Corporate Governance of Our Companies

Mr Dennis Tan Lip Fong (Hougang): Mr Chairman, five years ago, I spoke in this House about the \$422 million price settlement for Keppel Offshore & Marine (KOM) for bribery acts in Brazil conducted through its subsidiary in the United States. This is in part due to the conviction of KOM lawyer Mr Jeffrey Chow in US court for his role in the corruption. Chow is given a one-year probation which he could

serve in Singapore and \$75,000 fine. That may not be a heavy punishment to some, but it is still a criminal conviction.

Almost five years later, in January 2023, CPBI issued stern warnings to six unnamed former KOM senior executives for the same corruption case. Earlier this month, the hon Ms Indranee Rajah told this House that no prosecution was mounted due to the lack of sufficient evidence.

What is difficult to understand for many Singaporeans is that while the company has admitted liability and paid massive fines, the CPIB could not find a single person working in the company whom they could charge for complicity in the bribery acts even though about \$55 million of KOM's monies were paid out for bribes. How were such moneys allowed to be paid out? And how did they pass through the senior management's and auditors' scrutiny? Will any recovery actions be taken against any employees?

Notwithstanding the alleged evidential difficulties, the stern warnings might have inadvertently sent an alarming message that a Singapore-linked company can be involved in a case of serious corruption, but individuals involved may not be dealt with proportionately. This is not good news for the credibility of Singapore Inc, not to mention a GLC which should be leading by example.

Then, there are other recent cases where aspects of corporate or investment governance involving our GLCs have some under question.

We learnt that executives at Singapore Press Holdings, now SPH Media Trust, inflated circulation numbers by up to 90,000 daily copies, including by printing and destroying extra copies of newspapers.

Not long ago, there was also the bankruptcy of the crypto currency exchange, FDX, due to massive fraud. Deputy Prime Minister Lawrence Wong informed this House that losses to Singapore's taxpayers' monies from Temasek investment in FDX were limited. But the company's management and owners still allegedly engaged fraud worth several billions of US dollars. Recently, press reports indicated that Temasek may be exposed to companies under the Adnani Group, possibly to the tune of several billion dollars. A shadow of potentially serious financial discrepancies hangs over the Adnani Group.

Sir, back in the Committee of Supply debates in 2018, I mentioned a number of measures where we can improve corporate governance for our companies. I said that it is startling that the existence of bribery contracts and payments somehow seem to have escaped the notice of Keppel's senior management, board of directors, audit committees and even the external auditors for 14 years. Could this point to the weaknesses in our company and auditing regime?

4.30 pm

Among other suggestions, I had asked for the Government to review and enhance company regulations and suggested that the Government should consider having inspections and subject companies, directors and audit committee members to penalties for any non-compliance, and that the Government should review and enhance the requirements for whistle-blowing policies in companies.

Sir, my remarks here today are less about what specific dollar amounts of exposure or loss or whether individuals received particular types of punishment or not. Rather, I am concerned about the potential rise of a view following recent cases that corporate governance standards in Singapore including Government-linked entities may not be what they used to be – and this should not be the case.

Following the disappointing outcome on the investigation by CPIB, what steps would the Government take to improve the corporate governance of our companies? Specifically, what are the lessons we learn from how KOM was able to carry out the bribery acts of such magnitude and for so long? What are the measures that Government intend to take to prevent similar cases from happening again? I am referring to the brazen bribery acts as well as the difficulties in prosecuting individuals even though KOM itself admitted liability and paid massive fines to foreign governments.

I hope the Government will take steps to improve corporate governance for our companies and I also hope the Government will ensure that Government-linked companies take adequate due diligence before committing on investment on public monies.

Reviewing Anti-corruption Laws

Mr Murali Pillai (Bukit Batok): Sir, imagine a situation whereby the anti-corruption agency of a country arrests a high-ranking police officer for a corruption offence. In retaliation, the police arrests a high-ranking officer from the agency on what is believed to be a trumped-up charge of corruption too. This scenario may seem fanciful in Singapore, but unfortunately there has been precedent for such kind of behaviour elsewhere.

From a jurisdictional perspective though, it can happen here. This is because the Director of CPIB is vested with the powers under the Prevention of Corruption Act 1960 (PCA) to investigate corruption. At the same time, there exists anti-corruption provisions dealing with public servants in the Penal Code 1871. Investigations under these provisions come under purview of the Police.

When I asked in this House whether there is utility in maintaining the Penal Code provisions which have not been used in the recent past, the Minister for Home Affairs felt that there is as these provisions are more targeted. He however accepted that these provisions should be ported over to the PCA.

Against this backdrop, it is my respectful view that there is scope for the CPIB to reopen the review of the PCA that it closed in October last year without taking any step. We should put to bed this potential jurisdictional issue as quickly as possible.

There are other reasons for this review. I had recently suggested that PCA provide for extraterritorial reach with respect to Singapore registered companies. Let me expand on the reasons for this by reference to the KOM case.

In 2017, the AGC served KOM with a conditional warning in lieu of prosecution for an offence under the PCA. In lieu of prosecution, KOM had to pay more than \$100 million to the Singapore authorities. What is clear is that this case involved foreign bribery. Hence, to find jurisdiction under the PCA currently, one of the ingredients of corruption must have happened in Singapore. This is because there is no extraterritorial reach of the PCA vis-à-vis Singapore companies.

CPIB's stated policy in this House is that it will investigate all cases whether they happened locally or overseas. In these circumstances, it makes sense to extend the ambit of PCA to cover situations where acts of foreign bribery were committed by a Singapore company.

Lastly, Sir, there have been steps taken in other jurisdictions to enlarge the ability —

The Chairman: Can we wrap up please?

Mr Murali Pillai: I will stop here, Sir.

The Chairman: Thank you. Ms Indranee Rajah.

The Minister, Prime Minister's Office (Ms Indranee Rajah): Mr Chairman, I thank the Members for their questions and suggestions. There were two categories on population and fertility as well as on corruption. I will take the cuts on population and fertility first, and Ms Hazel Poa's cut on corruption, I will address later when I respond to the cuts on corruption.

Under the Forward Singapore exercise, we have spoken to many Singaporeans who have shared their views and aspirations for the future. As we work towards building the future we aspire to, it is important to understand the key population trends affecting us and how we must work together as one people to address them.

As Ms Ng Ling Ling mentioned, countries around the world are facing demographic challenges brought about by ageing populations and declining fertility rates. South Korea's Total Fertility Rate (TFR), currently the world's lowest, dropped to a new low of 0.78 last year. China's population also shrank for the first time in more than six decades, and their annual number of births nearly halved compared to six years ago. Births in Japan have plunged to a record low. Even Norway and Finland, who were previously successful in improving their fertility rates, are finding it difficult to sustain these gains.

Like other advanced societies, Singapore's TFR has been declining for many years. In 2022, our resident TFR reached a new historic low of 1.05. This was partly due to the Tiger year in the lunar calendar, which is generally associated with lower births among the Chinese.

But beyond that, there are longer-term global societal trends at play, which apply to us too. While the aspiration to marry and have children remains strong, more are postponing marriage and more are also postponing having children or having fewer children. At the same time, we are living longer. Resident life expectancy at birth has risen from about 72 years in 1980 to more than 83 years today. By 2030, about one in four Singapore citizens will be aged 65 and above.

With an ageing population, we will find it increasingly challenging to sustain economic growth as the growth of our resident workforce slows. Caregiving needs will intensify as family sizes shrink and more Singaporeans will face the dual pressures of raising young children while caring for their elderly parents – and in fact this is already happening.

We are also becoming a more diverse society. We have always been multiracial, multi-religious and multicultural. While the proportions of our main racial groups remain stable among our citizens, our social fabric continues to evolve.

In recent years, around one in three citizen marriages each year were transnational and around one in six, inter-ethnic. It is therefore even more important to that we recognise this diversity as a core part of our identity, appreciate different cultures and their practices more and make this multicultural aspect of living in Singapore and being Singaporean, a strength.

These trends show the complexities and challenges on the population front. Our population strategies are key to managing these challenges. Ms Mariam Jaafar asked how these strategies relate to the Forward Singapore exercise. Through these conversations, Singaporeans have shared their views on the kind of Singapore we want to be and how we can forge our future together.

Our population strategies take into account these views and seek to achieve a stronger social compact by strengthening assurance for Singaporeans throughout their lives, growing opportunities for Singaporeans through a vibrant and resilient economy and strengthening solidarity for a more cohesive society; as well as planning ahead for a better home for ourselves and for generations to come.

Let me elaborate on each of these in turn.

First, we will continue to strengthen assurance for Singaporeans. A key aspect of this is the support we give to help Singaporeans realise their marriage and parenthood aspirations, among other life goals. Mr Yip Hon Weng asked what we can learn from other countries' best practices to encourage Singaporeans to settle down. Key elements that have made a difference elsewhere include societal norms that embrace children and families and encourage shared parental responsibility as well as a family-friendly workplace culture.

We need a whole-of-society effort to foster such norms and to build a conducive environment that values and supports families. For individuals, this is often about finding a work-life rhythm that is suitable for our different life stages as we pursue our family, career and other life goals. And for employers, it is also about valuing employees' family and overall well-being that could at the same time result in stronger talent attraction, retention and higher productivity for the employer. It is also about everyone doing our part to strengthen the overall ecosystem of support so that we have a family-friendly environment.

On the part of the Government, as Deputy Prime Minister Wong announced in the Budget statement, we are providing more support for the early stages of family formulation in a few areas. We are doing more to enable young Singaporeans to achieve their housing aspirations.

First-timer families with children as well as younger married couples will receive greater priority in their BTO flat applications, including an additional ballot. We have also increased the CPF Housing Grant for first-timers purchasing resale flats. Minister Desmond Lee will share more on these plans at Ministry of National Development's (MND) Committee of Supply (COS).

We are increasing financial support for the early years of raising a child where it is most needed by parents. We have increased the Baby Bonus Cash Gift and the Child Development Account (CDA) First Step Grant for all eligible Singaporean children. In addition, we have raised the CDA Government co-matching cap for the first and second child. These enhancements apply to eligible Singaporean children born from 14 February 2023 onwards.

We have also extended the Baby Support Grant for eligible Singaporean children born from 1 October 2022 to 13 February 2023. With these enhancements, parents can now receive up to \$24,000 in financial support for their first child and up to \$37,000 for their subsequent children. This represents an increase of up to \$6,000 per child up to before the age of seven.

I hope this provides more assurance to couples like newly-weds Mr Ng Jia Jing and Ms Chia Shi Min, who are planning to have a child next year. They are looking forward to the enhanced Baby Bonus Scheme which will help with their child-raising costs.

This targeted financial help is in addition to existing subsidies for preschool, education and healthcare for all Singaporean children, and regular top-ups in each child's CDA, Edusave and Post-Secondary Education account, including the most recent top-ups announced at Budget this year.

We will also increase support for parents in managing their work and family commitments. As Deputy Prime Minister Wong announced in Budget, we will double Government-paid Paternity Leave for eligible working fathers of children born on or after 1 January 2024 onwards, something that Mr Louis Ng had long asked for.

This is a big step towards normalising and enabling fathers to play a bigger role in raising our children. As mentioned by Deputy Prime Minister Wong, we intend to mandate the additional Government-Paid Paternity Leave in time to come.

Mr Ng asked about efforts to increase the use of paternity leave and proposed equalising the amount of maternity and paternity leave. Mr Louis Chua also spoke about shared parental leave. Our focus for now is to encourage and enable fathers to use the paternity leave that is available to them. Even as the Government increases paternity leave and stands behind fathers in playing a more active role in child-raising, we need shifts in societal mindsets and norms to encourage and support fathers in taking up this leave. Workplace culture, in particular, the attitudes and mindsets of supervisors and colleagues will make a big difference in helping fathers feel assured about using their leave.

The take-up rate for paternity leave has gone up over the years and I hope to see it continue to increase. I encourage every employer to consider providing this additional paternity leave and I urge supervisors and colleagues to be supportive when fathers take time off from work to care for their children.

We will also double Unpaid Infant Care Leave for parents with children below two years old from 1 January 2024 onwards. Each parent will be able to benefit from an additional six days of Unpaid Infant Care Leave per year in the child's first two years. Taken together, eligible parents will be able to take up to 26 weeks of parental leave in their child's first year.

Mr Louis Ng asked if we can increase childcare leave provisions to cover needs such as caring for sick children or provide leave for couples to seek fertility treatments. We are aware that employees need time off from work for these and other personal needs and commitments.

Apart from leave, another important strategy we are focusing on is to increase the adoption of flexible work arrangements (FWAs). These include but are not limited to Work-From-Home, which Prof Hoon Hian Teck spoke about. FWAs are a sustainable way of providing more flexibility for workers. This is critical not only for caregivers of children but also for caregivers of the elderly.

A company that has put in commendable effort to make FWAs work for their employees is CBM Private Limited. A facilities management company with 1,900 employees, CBM Private Limited has been adopting staggered working hours and Work-From-Home arrangements since 2017.

4.45 pm

During the pandemic, they further tweaked the staggered working hours arrangement to give employees more flexibility in their start times to avoid peak hour congestion. They recognised that staff like security guards have to be on site and leveraged technology like roving robots to reduce manhours. CBM also set up a floating team of covering officers to take over from staff who have urgent family or

caregiving duties.

CBM shared that with FWAs, their employees are more productive, more focused and happier at work as they are better able to adjust their work schedules to manage both work and personal commitments.

Employers also benefit from offering FWAs. While there may be adjustments to work processes and costs of implementing FWAs in the short term, FWAs can increase productivity, lower absenteeism and turnover, and increase employee engagement in the long term if implemented well. Embracing FWAs as a workplace norm will help Singapore companies stay ahead of the competition and better attract and retain talent.

The tripartite partners have developed a set of best practices for employers to voluntarily adopt under the Tripartite Standard on FWAs.

To further encourage the adoption of FWAs, we will roll out the Tripartite Guidelines on FWAs in 2024, which will require employers to fairly and properly consider FWA requests.

Mr Ng asked if we can implement these Guidelines earlier as well as consider legislating them. Even as we encourage more FWAs, we need to make sure workplace harmony is maintained. The best way to achieve this win-win outcome is not by taking a legalistic approach at the onset but to focus on shaping norms and fostering workplace trust.

Tripartite partners are developing the scope of the guidelines and we should also give them enough time to consult stakeholders. We will thus introduce the Guidelines by 2024, as committed in the White Paper on Singapore Women's Development.

Beyond these measures, there were other suggestions to improve support for parents and to better recognise their efforts in bringing up their children. We have received feedback from parents about the difficulties they face in accessing reliable infant care arrangements when they return to work. Under the Forward Singapore Care Pillar efforts, we will be reviewing how we can better support new parents in caring for their infants. We will share more when ready.

Mr Faisal Manap asked about expanding the approved uses of the Child Development Account to purchase items such as infant formula and diapers. We have just enhanced the Baby Bonus Cash Gift by \$3,000. This should help in defraying expenditure in these areas.

Ms Hazel Poa suggested recognising the contributions of stay-at-home parents through CPF top-ups. Many of our marriage and parenthood measures are given regardless of the parents' employment status, including our recently enhanced Baby Bonus Cash Gift and Child Development Account. In addition, we also provide a tax relief of up to \$8,000 per calendar year to individuals who make a cash top-up to their loved ones' CPF savings.

I hope these enhancements and plans will give greater assurance to Singaporeans.

Second, we want to grow opportunities for Singaporeans amidst a more uncertain global economic outlook. Economic growth over the past few decades has generated good employment and business opportunities for Singaporeans as well as the resources to support public infrastructure, healthcare and education.

Ms Ng Ling Ling spoke about the decline in the number of Singaporeans in the working ages and asked how we will achieve economic growth to generate more opportunities for Singaporeans.

Indeed, with a slowing resident workforce growth and a maturing economy, we will have to work harder to restructure the economy to sustain economic growth. Economic growth is driven by new ideas, new technologies and output from the work of people. Even as we strengthen efforts to enhance our overall productivity, there will be a limit to economic growth if companies do not have enough workers with the necessary skills to support their businesses and activities here.

Under the Empower and Equip pillars of Forward Singapore, the Government is looking into ways to further develop our local workforce. This includes preparing our students well for jobs of the future by providing access to good quality education and diversifying pathways in schools.

We invest heavily in the upskilling of Singaporeans and help them to strengthen career health and reach their full potential. We also want to build a stronger pipeline of Singaporeans for leadership positions across different sectors of the economy.

Even as we strengthen the quality of our local workforce, there are not enough Singaporeans to meet all our economic and social needs. Remaining open to foreign manpower brings benefits to countries by filling skill shortages in the labour market, boosting the productive capacity of the economy and supporting innovation. This is true too for Singapore.

Some segments of the foreign workforce support the caregiving needs of Singaporeans. Other foreigners help companies in Singapore grow by filling manpower gaps. Businesses know this well. Companies, including Singaporean-owned ones, have been raising concerns about the lack of sufficient local workers and the need for foreign manpower.

Global talent, such as those coming in on the Overseas Networks and Expertise (ONE) Pass or Tech.Pass, also bring in investments, new business operations, technology and job opportunities for Singaporeans.

We fully understand Singaporeans' concerns about job competition and we remain committed to ensuring that Singaporeans can compete fairly and strongly.

We have raised qualifying salaries over the years and introduced the Complementarity Assessment Framework (COMPASS). These measures ensure that the foreign workforce complements rather than displaces the local workforce. The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) protects workers from discriminatory hiring practices. We will be enshrining the TAFEP guidelines into law.

We will also continue to transform our economy and industries to create better jobs for Singaporeans. Under the Industry Transformation Maps, we are pressing on with economic restructuring, automation and redesigning jobs for higher productivity.

The Government will continue to work with our unions to support industry and our workers as we transform our economy.

We must be prepared to work together as a society to smoothen the transition. There will be new technologies and processes to adapt to. Some roles could be replaced with new ones and so we must all reskill and take on new functions.

Also, with higher wages, a part of increased business costs may be passed to consumers. While these cost increases may be calibrated to manage the impact on overall cost of living, we must still be prepared to pay more in the longer term to fairly value the work and services provided by our fellow Singaporeans in jobs currently with lower wages. We will benefit in the long run with a more productive economy, better jobs and higher wages for Singaporeans.

Next, I will talk about the need to strengthen solidarity and maintain a cohesive society in Singapore.

I had earlier spoken about how one in three citizen marriages is transnational. As Singaporeans venture overseas for school, work and travel, they may meet and marry non-Singaporeans. Some return to Singapore to start and raise a family here. There are also others who meet and marry foreigners based in Singapore.

Singapore is also an attractive place for skilled people who come here to work, given our connectedness, security and quality of life. Over time, some of them may share our aspirations and ideals, and may want to make Singapore their home. We should welcome those who are prepared to make the long-term commitment to Singapore.

Mr Gan Thiam Poh spoke about reducing our old-age dependency ratio by boosting our birth rates as well as taking in new Permanent Residents and citizens to support our ageing population.

This has been the Government's approach. While our policies do not seek to achieve any optimal old-age dependency ratio, welcoming such immigrants continues to play an important role in moderating the impact of ageing and low birth rates in our population. Most of our Permanent Residents and New Citizens granted each year are aged 40 and below.

Immigration has to be managed delicately. We have seen how tensions over immigration in other countries have led to fissures and divisions in society. We must not let that happen here in Singapore.

While most Singaporeans understand why we need immigrants, there are, understandably, concerns over competition for jobs and other resources and how the texture and character of our society could change and whether our infrastructure can keep up.

Since the tightening of our immigration framework in late 2009, we have maintained a measured and stable pace of immigration. Miss Cheng Li Hui asked about trends in the number of new citizenships and Permanent Residencies granted.

In 2022, we granted about 23,100 new citizenships, including about 1,300 to children born overseas to Singaporean parents. We also granted about 34,500 new Permanent Residencies (PRs).

The numbers of new citizenships and PRs granted in 2022 were slightly higher than pre-COVID-19. At last year's Committee of Supply, I explained how COVID-19-related travel restrictions and safe management measures had slowed down in-person processes for the grant of citizenship or PR. A number of approved applicants in 2020 and 2021 had yet to complete the in-person processes and some applicants who had intended to apply during that period were also unable to complete their own processes to submit their applications. Hence, some of these applications were rolled over into 2022.

We consider very carefully who we take in as immigrants. When granting PR or citizenship, we look at a comprehensive set of factors, including an individual's family ties to Singaporeans, economic contributions, qualifications, family profile, age and how long they have stayed in Singapore. This ensures that new immigrants are rooted, able to integrate and contribute meaningfully here.

All new adult citizens come from within our pool of Permanent Residents. This means they have been in Singapore for some time already. Second-generation Permanent Residents serve National Service and in the process, forge bonds with other locals and contribute to the nation's defence.

During the Forward Singapore engagements, Singaporeans reiterated the importance of safeguarding our identity as a multicultural and diverse society. To do so, we must remain open to people of different backgrounds and cultures. But it takes two hands to clap.

We must welcome newcomers and help them integrate into our society. At the same time, newcomers should respect our values and norms and make an effort to adapt to our way of life.

The Government has been working with our partners to develop resources and conduct activities to help foreigners settle in and understand our local norms and culture. This is a whole-of-society effort where different stakeholders including newcomers, Singaporeans, community groups and businesses all have a role to play.

To illustrate this better, let me share the story about the friendship between Margaret and Heidi. Ms Margaret Hou became a Permanent Resident last year. She has lived in Singapore for the last 10 years. She regularly volunteers at community events and interacts with residents from different social and ethnic backgrounds. She takes the effort to interact and forge friendships with locals.

Her ex-colleague turned friend, Ms Heidi Yeo, who is Singaporean, appreciates Ms Margaret's willingness to help whenever they had to work closely together in their respective job areas. They continue to meet up and help each other even though they are no longer colleagues and their friendship has blossomed over the years.

Heidi shares Singapore culture and history with Margaret, which helps Margaret to gain a deeper understanding and appreciation of Singapore. Margaret in turn pays it forward by helping other newcomers to integrate into the local community through chat groups, monthly meet-ups and monthly sports or family activities involving local Singaporeans.

Such friendships show us how both locals and newcomers can make efforts to foster integration and how we can come together to strengthen our bonds with each other and our sense of belonging to Singapore despite being from different backgrounds. This is what the Unite pillar of the Forward Singapore exercise is all about.

We continue to plan for the long term and steward our scarce resources for both present and future generations.

Ms Ng Ling Ling asked whether the Government has long-term projections to understand how we should adjust our population policies to achieve desired outcomes for Singapore in the future and how Singaporeans can be involved in the process.

We have engaged Singaporeans in thinking about our future. For example, as part of the Long-Term Plan review, we engaged Singaporeans of different age groups and backgrounds extensively to better understand how our land and infrastructure plans can meet their aspirations and future needs.

Through the Build and Steward Pillars of Forward Singapore, we will further explore how we as a society can build a greener, more liveable and more sustainable home for all.

Planning for the future is a complex process. We will have to consider what our future population will look like, not just in terms of size but also composition and make-up.

5.00 pm

And this is contingent on many factors – various demographic trends, such as birth rates, life expectancies, and migration, as well as future social and economic needs. For instance, we need manpower to build our homes or care for our seniors, but the numbers could change with evolving family structures and the health of our ageing population.

Our businesses' manpower needs may vary, depending on the types of industries in our economy and ongoing economic transformation efforts. As our workforce continues to evolve in tandem with economic transformation, their needs too will change.

As such, we do not plan on a single population planning parameter. Instead, increasingly we develop various scenarios to stress-test our assumptions and allow for a range of possible outcomes.

In 2018, we provided an update that our total population is likely to be significantly below 6.9 million by 2030. Based on the various scenarios we have, this remains the case. The planning parameter of 6.9 million remains relevant for the 2030s. Our aim is, as it always has been, to build better lives for current and future generations of Singaporeans. Our population policies are all aimed at this objective.

Looking beyond 2030, it is critical that we will continue to plan ahead of time, to maintain the flexibility to adjust our plans, respond to new trends and safeguard options for the future. This will help us to provide a good quality living environment and home for all Singaporeans.

Mr Chairman, in conclusion, I have laid out our population strategies and the key considerations behind them.

In the coming years, our demographic realities will only become more keenly felt. Our ability to nurture a high-quality workforce while attracting the complementary foreign manpower we need, and to integrate newcomers into our society while maintaining social cohesion, will become ever more important for Singapore's future.

This is a delicate balance and much will depend on how circumstances evolve. But we will continue to work hard to build a Singapore with the well-being of Singaporeans at the heart of it, with opportunities for all, a society where families matter and are supported and where we can be united even in diversity.

Everyone – individuals, families, communities, businesses and Government – has a role to play in ensuring that Singapore continues to be a home with opportunities, assurances and a strong sense of solidarity. Together, let us work towards a better future for all Singaporeans.

The Chairman: Minister Teo.

The Minister for Communications and Information (Mrs Josephine Teo): Good afternoon, Mr Chairman. I thank Members for their questions and comments. In the interest of time, let me jump straight to the lessons we have learnt since we started our Smart Nation journey in 2014.

The first lesson is to always put people first.

I am happy to update Ms Tin Pei Ling that through digital technology, we have made it more convenient for our citizens and businesses to apply for government services, seek help and get support when and where they need it. Most transactions can be completed from the comfort of their homes.

Singaporeans can use MyInfo to apply for credit cards, or LifeSG to access parenting, housing and other digital government services. Ms Tin is very familiar with these. Singpass and PayNow are widely used – 4.2 million people use the Singpass app today, and over 300 million individual and corporate transactions were made on PayNow in 2022.

Businesses have also benefited from digital services. Abundance is a restaurant bar that started out as a home-based business. When it first opened in 2021, it used the GoBusiness portal to apply for the necessary licences. This helped it to be set up quickly without having to go from agency to agency physically. The GoBusiness portal also suggested suitable grants, such as the Productivity Solutions Grant and Energy Efficiency Grant, which Abundance used to improve its operations. I am happy to hear that Abundance has since opened its second branch last year.

These efforts have helped improve citizen satisfaction with government services from 73% in 2016 to 84% in 2022. Business satisfaction with government services has also improved from 64% to 79%.

This progress motivates us to further improve, and as Ms Jessica Tan suggested, leverage digital technologies to improve our service delivery.

For example, the team at Open Government Products built the Health Appointment System last year to make it easier to book pneumococcal and flu vaccination appointments. It has facilitated more than 40,000 appointments to date.

This system will soon be expanded for eligible women to book a subsidised HPV2 vaccination appointment. This will make it easier for our women to protect themselves through vaccinations. By April, the system will also allow appointment bookings for all vaccines under the National Adult Immunisation Schedule, and by June, vaccines under the National Childhood Immunisation Schedule.

The second lesson is that safety matters. To use digital tools with confidence, our citizens must be able to trust that they are safe. With ever-evolving cybersecurity threats, this has become a tall order.

Mr Alex Yam asked about protecting our digital systems. We are investing efforts to build stronger defences to safeguard people from scams and online harms. For example, ScamShield was launched on iOS in 2020 and on Android in 2022. It has about 500,000 users and since 2022, has helped block 200,000 scam calls and detected over 3.5 million scam messages.

We will be launching a ScamShield Chatbot later this year on WhatsApp, to allow the public to report scam messages to the relevant authorities more easily. MHA will say more about their efforts to address scams.

We are also improving government ICT infrastructure to be more resilient against cyber attacks. We are working with agencies to modernise and secure their key systems. This includes moving more government systems to cloud, to improve resiliency, security monitoring, and our threat detection tools. To date, we have migrated 64% of eligible government systems, and we are on track to hit our target of 70% by this year.

As Mr Alex Yam pointed out, the Government cannot do all of this securing alone. We have launched the Vulnerability Rewards Programme to work with "white hats", or ethical hackers, experts and volunteers to identify weaknesses in our systems so we can continuously improve their security. In the Ministry of Communications and Information (MCI)'s Committee of Supply debate, I will expand on efforts to uplift digital literacy and strengthen safety online.

The third lesson is that to go far, we must go together. Smart Nation is a collective effort. For example, we are collaborating with and learning from, leading countries and companies in Artificial Intelligence.

We recently signed MOUs with Israel and Korea, as well as with Google and Samsung. We also have AI research partnerships with industry, such as with SembWaste to improve environmental sustainability through efficient recycling, such as using computer vision to sort waste.

We will continue to learn from the best-in-class, incubate good ideas and support Singapore companies in leveraging AI.

More importantly, we must never leave our citizens behind in our Smart Nation journey. To points raised by Mr Seah Kian Peng and Ms Tin Pei Ling, we will continue our efforts to ensure our digital services are accessible and easy to use, for all.

We will also continue to provide non-digital options for critical government services for the foreseeable future. In terms of design, which Ms Jessica Tan asked about, it is based primarily on following the user journey, identifying and fixing pain points in advance and rigorous testing. Minister Chan Chun Sing will speak more broadly about public service delivery, which Mr Yip Hon Weng asked about. I will share more on our digital inclusion efforts during MCI's Committee of Supply debate, particularly, to support the lower-income and seniors.

Mr Chairman, these lessons we have learnt are shaping the way we are thinking about the next bound of Smart Nation. During the various Forward Singapore conversations, it has become more evident how technology can enable and improve our lives. In MCI's Digital Readiness Survey, 84% of Singaporeans agreed that digital technologies have made their lives easier.

As we refresh our Smart Nation strategy, three broad areas will be particularly important. First, enhancing opportunities for Singaporeans to flourish; second, ensuring trust and safety in the digital world; and third, strengthening our communities. Let me outline each priority area in turn.

First, digital technology presents immense opportunities for Singaporeans and our businesses. As Ms Tin Pei Ling pointed out, it is critical to invest in digital infrastructure. MCI will elaborate on this.

Mr Sharael Taha asked how we can better support our businesses and citizens to grow and thrive in an age of technological advances.

AI Singapore offers a good example. Since its launch in 2017, AI Singapore has partnered around 80 businesses to co-develop AI models and solutions, and created close to \$60 million of value. For example, it supported Q&M Dental Group to develop an AI model that helps dentists detect disease from dental X-rays and recommend treatment plans. Q&M Group now plans to deploy this AI model to more than 150 clinics in the region.

AI Singapore also runs the AI Apprenticeship programme to provide training using real world projects and help the trainees get better jobs. To meet strong demand from both industry and Singaporeans, AI Singapore will double the number of AI apprentices trained over the next five years from 200 to 400.

We will continue to nurture innovative use of data just as AI Singapore and Q&M Group have done, including taking in Ms Tin Pei Ling's suggestion for us to find more opportunities to securely share government data with businesses and the community. We are already exploring the use of emerging privacy-enhancing technologies that allow us to share data in a seamless and secure manner, to nurture more collaboration with non-government entities.

A second priority is to ensure that we can go digital with confidence, feel safe and secure using digital tools and services.

The Government will step up our proactive cybersecurity measures.

We have launched the Government Cyber Security Operations Centre to make greater use of artificial intelligence and data analytics in defending government systems.

We have also developed PhishMonSG in collaboration with MHA. This is a tool that proactively hunts for phishing sites that pose as Government agency websites, so that we can remove them before they can harm the public.

We also want to help level up our companies, especially small and medium enterprises. MCI will share more about our initiatives.

The third area of priority is to help strengthen our Singapore communities. Our Smart Nation must be inclusive, so that all Singaporeans can participate fully in an increasingly digital society. As I have said, digital first need not mean digital only.

There is also value to co-create with the community, promote opportunities for people and groups to come together to make Singapore a better home for all of us. In this regard, I am pleased to announce that SNDGO and URA, with support from IMDA, have just rolled out an Innovation Challenge in Jurong Lake District today, focusing on urban sustainability issues. I encourage companies and research institutes to submit proposals to address these real-life issues, and possibly pilot them in the JLD soon.

Sir, it will soon be 10 years since Prime Minister Lee announced the Smart Nation initiative in 2014. However, the task of building Smart Nation, like that of building Singapore – is never done. We will continue to find ways to leverage technology to realise new opportunities for our people and businesses, to help our people go digital with confidence and to build a stronger community.

The Chairman: Minister Indranee.

5.15 pm

Ms Indranee Rajah: Mr Chairman, I will now address the cuts from Mr Murali Pillai, Ms Hazel Poa and Mr Dennis Tan, pertaining to our anti-corruption efforts and on corporate governance.

I wish to thank Mr Murali Pillai for his support for CPIB's work and continuing interest in improving our anti-corruption efforts. With regard to Mr Murali's suggestion that corruption-related Penal Code offences be sited within the PCA, CPIB's assessment is that there is currently no compelling need to do so, as CPIB officers possess the requisite powers to investigate offences under the Penal Code.

Mr Murali gave an example where, due to the overlap in jurisdiction between the Police and CPIB, there could be a risk of senior officers taking retaliatory action against one another. Under our system of criminal justice, charging decisions are decided by the Public Prosecutor (PP), who makes these decisions independently. Therefore, Mr Murali can rest assured that there is no room for Police or CPIB officers to raise trumped-up charges against one another, or against any one for that matter.

Mr Murali renewed his call for CPIB to consider extending the extra-territorial reach of the PCA, to companies incorporated in Singapore. Insofar as companies are concerned, the CPIB expects Singapore-incorporated companies operating overseas to operate in compliance with the laws of the countries that they have a presence in.

For corruption-related offences, one needs to establish the mens rea of the alleged offender, to show the requisite corrupt intent. Where the alleged offender is a company, the focus of investigations would generally be on the individuals who are the controlling minds or decision-makers of the company.

For companies incorporated in Singapore, such individuals can be both Singaporean or non-Singaporean.

Where these individuals are Singapore Citizens, the PCA is currently of extra-territorial application. The CPIB is empowered to take action against them irrespective of whether they committed the corrupt acts in Singapore or abroad. In fact, this applies even if they are officers of companies not incorporated here. The current extra-territorial reach of the PCA is therefore already quite broad and effective.

The practical impact of Mr Murali's proposal is that if a company is incorporated in Singapore but involved in corrupt activities conducted overseas by non-Singaporean individuals and there is little connection to Singapore other than the fact that the company is incorporated here, the CPIB will nonetheless be obligated to investigate.

While Singapore is firmly committed towards international anti-corruption cooperation consistent with our legal framework and international commitments, it would be a stretch to empower or require the CPIB to investigate activities taking place entirely outside Singapore, involving non-Singaporean actors.

We have already seen the challenges in investigating activities by Singaporeans committed abroad. Investigating the activities of non-Singaporeans abroad will be even more so. We have to take a realistic view of the efficacy of doing so, given the evidential difficulties we can expect where material evidence and key witnesses reside outside of Singapore, and out of CPIB's reach.

Mr Murali also suggested a review to allow for a non-conviction-based confiscation mechanism to deal with assets believed to be acquired through proceeds from corruption. We thank Mr Pillai for his suggestion. Where a person has been convicted of corruption, the PCA provides for the disgorgement of the gratification received. In addition, there are existing powers to confiscate outside of a conviction, which apply if qualifying circumstances are met.

As Mr Murali noted, the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 allows for confiscation without conviction, but only where the accused person is deceased or has absconded. Further, under the Organised Crime Act 2015, it is possible to obtain a non-conviction-based confiscation order to disgorge ill-gotten gains from a person involved in organised crime activity, which includes corruption-related activities.

The Government is committed to disgorging any financial benefit derived from offenders' predicate offences, which include corruption. But in the same vein, we need to ensure that the power is fairly scoped, particularly where the Court has not arrived at a determination of guilt. The Ministry of Home Affairs (MHA) and CPIB will review the non-conviction-based confiscation mechanism further.

Ms Poa made several observations. And she also asked whether we could consider appointing a committee to consult the public on what questions they want answered and to get the answers to those questions from the relevant agencies.

I think the Member may not be familiar with how such matters are dealt with. CPIB conducts its investigations independently. The investigation process and the evidence obtained in the course of investigations, is confidential. They do not, as a general rule, provide details of investigations, for good reasons, including to avoid prejudicing any action that may have to be taken subsequently if new material facts come to light, or adversely affecting informants or witnesses who may then become less willing to offer assistance.

As explained before, where there is public interest in knowing more details, Members may file questions in this House and the relevant Minister will, after consulting the PP, answer the questions to the extent permitted by law. It is the role of Members of Parliament (MPs) to raise relevant and appropriate questions. We do not set up committees to find out questions.

As to answering of questions involving investigations, the Minister answers to the extent permissible. The Minister is not involved in the investigations or charging decision and therefore would not have personal knowledge of the details.

Ms Poa raised several assertions as to the answers that I gave in Parliament earlier. She said that answers had either not been given or were evasive and raised a couple of examples. I will deal with those examples in a minute. But first, I would like to remind the House that there were 16 Parliamentary Questions and I answered all of them. The questions that came up subsequently were supplementary questions of which I had not been given any prior notice. And of those, I had to deal with the questions as and when they were put to me in the Chamber.

The first of these was raised by Ms Poa. She referred to the Leader of the Opposition's question as to whether investigations included determining the constructive knowledge of the Keppel board at that time. I sought clarification from him and he had confirmed he was not suggesting that this was an offence under the PCA. And my reply, which still applies, is that CPIB investigates offences under the PCA.

So, there is no doubt on this, what I can share is that CPIB did look into the six individuals and the boards of KOM as well as their parent entity Keppel Corporation Limited (KCL). CPIB's investigations established the involvement of the six individuals, and no one else was implicated. In the case of the six individuals, CPIB did not have sufficient evidence to justify prosecution to prove a case beyond reasonable doubt for the reasons I have already explained.

Next, I think Ms Poa raised the question of mutual legal assistance (MLA). She said that, when asked about MLA requests, I replied I did not know all the details of the MLA but that, for at least one or two of the latest ones, there were no response. That is not quite accurate. If the Member wishes to quote me, I would be grateful if the Member quotes me accurately.

If you look at the record, what I had said on the MLA was that AGC and CPIB had sent three MLA requests to Brazil to secure evidence that was needed. AGC and CPIB also sent an MLA request to another relevant foreign authority to interview another potential material witness. And then, I said the contents and outcome of these MLA requests are confidential, but I can inform the House that they have either not yielded evidence that could be used to secure a conviction before our Courts, or the responses have not been helpful in advancing the case.

In other words, whatever the number of MLA requests, the outcome of these were that the information produced did not yield evidence that could be used to secure conviction, or they were not helpful in advancing the case. And that does answer the question.

Then, I was asked a supplementary question about the MLA. And I said that I did not know all the details, but I did know that, for the latest ones, there had been no response. So, that question was answered fully.

Next, Ms Poa said that when asked about the witness who changed his tune, my answer was allegedly uncertain. She claimed I said, "I think the answer is yes" and "I do not have details of what exactly was said."

That is a summary of something I said right at the end. Ms Poa did not inform this House of what I said at the beginning. It would be helpful if I do that, because again, it would be good if you are going to quote somebody, to quote them fully.

With respect to that witness, I had said, "So, the question is, has he said something different here?" And I said, "I think the answer is yes. But I will not go into details. Firstly, I do not have details of what exactly was said." And then, I went on to say, "What I do know and I am able to say" is that "based on what has been informed to me, is that in this particular case, what was said in the US and what had been told to CPIB, there are differences." So, that was the question that was put to me and that was the question that I answered. Hence, I wish to put on record that the questions that were put to me were answered and answered fully to the extent that I was able to and within the ambit of the law.

Let me come back to the point that Ms Poa has raised and her suggestion about a committee. Her suggestion is whether we could appoint a committee to consult the public on what questions they want answered and to get the answers to those questions from the relevant agencies.

I would like the Chamber and all Singaporeans to understand what this request actually means. What it means is that we set up a committee, open to the public and we ask everybody "what questions do you want to ask". And then, because she is not saying, "Come back to the Chamber to ask the question", she is saying "Let us ask these of the agencies".

So, this is something which every investigating office in the Police and other investigation agencies should take note of because it would mean that your entire investigation file will be open for questions. It is also something that every AGC officer should take notice of, because your entire file will also be open to question. It is also something that every witness who has given or will be giving evidence in response to a request to assist the Police or any investigation agency: everything that you say, everything that you would have told them, even before it is brought, to Court, even before it is proven, could well go out to a committee who will be asking you, "What about this? What about that?" And all of these before it is proven in Court.

That is the ambit of the question that has been asked. And the answer is that it is not appropriate to do something like that. The proper process is that MPs, knowing what the ground or the public wish to know, come to Parliament, raise this in due process and the Minister will answer to the best of his or her ability.

I turn now to the questions and comments raised by Mr Dennis Tan. Essentially, his broader thrust was about corporate governance in general. But he did make a point where he said that the public found it difficult to understand how, in the Keppel case, CPIB could not find a single person that they could charge. That is not correct.

5.30 pm

They found six individuals who were implicated. What they were not able to do was that they could not cross the evidentiary burden that they feel or they had been advised is necessary in law, in order to make out the case beyond a reasonable doubt.

So, it is not that CPIB could not find people. They did. They had investigations. They narrowed it down. And as I explained in my earlier reply, the bulk of the evidence and the oral testimony which is crucial is not available in Singapore and we cannot compel the people to come here. That is the obstacle. That is not something which is lacking on the part of CPIB, but it is the nature of cross-border international corruption cases.

That said, I take the point about the need for good corporate governance.

In the case of Keppel, I understand that they had followed up as a result of the Deferred Prosecution Agreement (DPA). I mentioned this before. They were required to put in place a whole slew of improved corporate governance measures. They have also, I believe, the entire Keppel Group, taken on board the global best practice to mitigate bribery risks in an organisation. I think that is referred to as the ISO37001: Anti-Bribery Management Systems.

In respect to the broader corporate landscape, listed companies are required under Singapore Exchange (SGX) listing rules and principles under the code of corporate governance, to put in place sound internal controls and risk management frameworks. They are expected to institute and disclose whistleblowing and anti-corruption policies. Boards are also expected to establish the appropriate culture, values and ethical standards of conduct at all levels that support the prevention, detection and reporting of wrongdoing.

I should also mention that there is a spectrum of complementary legal and regulatory provisions in place to ensure that companies, directors and their officers have good corporate governance practices and do not engage in corruption.

First, listed companies are subject to the listing rule requirements and principles under the code of corporate governance. Those require them to have internal controls and risk management frameworks, as I mentioned.

Second, companies act through their directors and key executive personnel, who owe fiduciary duties to the company. Directors are required under the Companies Act to discharge their duties honestly and with reasonable due diligence. A director who takes a completely lackadaisical attitude towards the company's affairs or actively encourages its officers to engage in criminal activities could face criminal liability for acting in breach of his or her duties owed. Of course, there are other statutes that apply.

CPIB has also been proactively engaging companies to strengthen their controls against corruption. For example, the Anti-Corruption Partnership Network (ACPN) was established in 2018 to encourage the private sector to take ownership of the need to prevent corruption. Besides sharing best practices, companies in the ACPN are encouraged to undergo the ISO 37001: Anti-Bribery Management Systems certification, which I mentioned earlier.

Ultimately, businesses have the responsibility to keep their own houses clean and to comply with the prevailing laws and regulations of jurisdictions where they operate. By adopting a strong anti-corruption culture and actively reporting corrupt behaviour, companies in Singapore will reinforce our anti-corruption efforts and advance the reputation of Singapore as a trusted business and investment hub.

The findings from the recent CPIB's 2022 Public Perception Survey affirms our national anti-corruption strategy. Ninety-six percent of the respondents surveyed rated Singapore's corruption control efforts to be effective – an increase from 90% in 2016.

Mr Chairman, incorruptibility is a key part of the Singapore DNA. This did not happen by chance but is the hardearned result of our strong political will, effective anti-corruption laws, the society's unwavering support for zero-tolerance towards corruption and an effective CPIB that is committed to investigate any allegation of corruption, without fear or favour.

The Chairman: Minister Chan.

The Minister for Education (Mr Chan Chun Sing): Chairman, on behalf of the Prime Minister, let me first address the cut by Ms Sylvia Lim on voting age.

This is not a new suggestion. Both sides of the House have previously raised this suggestion and our previous considerations remain valid.

A number of countries have lowered their voting age – some to increase voter turnout, and others, perhaps for perceived political advantage. We do not have the first problem and we certainly should not do it for the second reason.

Some of them regretted doing so when the political outcomes were not as they had expected, although they would not say so publicly for political reasons. Others were not clear if this had led to better governance.

The opinions of our youths are indeed important. The majority of our youths under the age of 21 are in our post-secondary institutions. We do regularly and proactively engage our youths on national issues and societal issues to take into account their views in our decision-making and policy formulation. The Ministry of Culture, Community and Youth, National Youth Council, Ministry of Education, Ministry of Social and Family Development and other Government agencies do this on a regular basis. An example is the Conversations on Singapore Women's Development in 2021. The views surfaced in these dialogues were considered in the White Paper, which was tabled in Parliament last year.

However, if we take a step back, the evergreen challenges for any democracy is how do we deliver good governance and a good government. The key to that lies in two things.

First, how do we have good people with the right values and right capabilities to stand forth to serve? Second, how do we encourage every voter to not just think of his or her individual interests, for the here and now; but also for the wider interests of our society and future generations.

Next, we thank Ms He Ting Ru for her comments on how we should not be complacent in the management of potential conflicts of interests both in the Public Service and amongst elected Members of Parliament. We adopt a three-pronged approach to safeguard ourselves.

First, there are policies and guidelines that help organisations and individuals to avoid and manage situations of potential conflict.

We have this in the Public Service. Officers who engage in external activities and may have potential conflicts of interest have to do the necessary declarations.

For Members of Parliament from the People's Action Party (PAP), our Prime Minister issues the Rules of Prudence after every general election to remind ourselves of the standards that we should hold ourselves to.

I cannot say this for other Members of the House, but I think what is set out by the Prime Minister for PAP Members of Parliament should be applicable to everyone in the House, because as Ms He said, we are all elected officials and we all owe a duty to our society to maintain the high standards that we expect of ourselves.

Second, while these policies and guidelines are in place, it is equally important to have people with good character and judgement to make decisions on specific cases or situations.

Third, where lapses occur, there must be processes in place to make things right and subsequently update and strengthen our system to prevent recurrence.

This three-pronged approach must be refreshed and updated regularly so that we can maintain our hard-won reputation as a society that is corruption-free and with high integrity amongst our public officers and elected personnel.

Next, I will address the cuts by Mr Yip Hon Weng, Mr Saktiandi Supaat and Mr Patrick Tay.

This month, we stepped down from DORSCON Yellow to Green for the fight against COVID-19. But I would say that the fight is not over yet.

The Public Service will lock in the lessons learnt from COVID-19 and apply them in our ongoing Public Sector Transformation efforts. We have reinforced four key lessons for good governance in an uncertain world. First, deliver services centred around citizens. Second, harness the strengths of the people and private sectors. Third, develop agile organisations and people. And fourth, strengthen our forward planning capabilities. Let me elaborate.

First, COVID-19 reinforced the importance of officers from different agencies working together to address citizens' issues in a citizen-centric way. We will continue to organise more services around citizens instead of along agency lines.

To Mr Saktiandi's point, technology is indeed a key tool in achieving this. As part of the Digital Government Blueprint, we have achieved almost 100% digital service delivery. However, digitalising services alone is not sufficient. We need to integrate and redesign services and processes in a manner that is meaningful and intuitive to citizens.

An example is the recently launched "Care Services Recommender" digital service which provides personalised recommendations on areas such as care services and financial support schemes to caregivers based on their needs. This helps caregivers to find the right services and schemes across agencies quickly, easily and from one place.

While digitalisation has helped to improve services for most Singaporeans, we acknowledge Mr Yip Hon Weng's point that some citizens, including elderly citizens, may still need physical transactions. Hence, we are also building a network of physical ServiceSG centres that aim to be a one-stop concierge for citizens.

Today, we have two ServiceSG Centres at Our Tampines Hub and One Punggol and four smaller satellite centre nodes at Community Clubs (CCs), each offering hundreds of services from over 20 agencies. Officers at these centres can advise citizens on the suite of services that can help them, based on their circumstances and needs.

ServiceSG is opening one more satellite centre at Bukit Canberra CC by the middle of this year. This will make integrated Government services even more accessible to more citizens.

The second lesson from COVID-19 is the value of partnership with the people and private sectors. Take, for example, how the various sectors rallied together to secure essential supplies for Singaporeans, distribute masks and hand sanitisers and reach out to affected families.

Our future challenges will be more complex, requiring whole-of-nation efforts to overcome. The Public Service must build up the mindsets and the skillsets to work with the private and people sectors.

This effort is not entirely new. During the past few years, we have set up structures such as SG Healthcare Corps and Alliances for Action (AfAs) to aid us in saving lives and livelihoods. This is also why we want to send more officers to outside the Public Service to gain exposure and build new networks.

The third lesson from COVID-19 is that our organisations and people must be agile. During the pandemic, the Public Service has managed to stand up large inter-agency operations and deploy manpower nimbly at short notice.

Under SGUnited, more than 4,000 public officers were redeployed to fight COVID-19. They took on roles such as safe distancing ambassadors, officers handling dormitory operations and call centre agents managing public's queries. All these were not their primary responsibilities.

Without formal structures in place, we had to rely on agencies to redeploy manpower at short notice or individual officers to volunteer to cover the manpower gaps.

I am heartened that our agencies and officers have actively leaned in, across agency boundaries to support our battle against COVID-19. Many officers have also gained new competencies and forged new connections along the way.

Notwithstanding this, the pandemic underscored the importance of having a centralised system to identify and redeploy surge manpower across agencies to quickly support critical crisis functions. As we emerge from the pandemic, the Public Service Division will systematically set up a structure to do this so that we are better prepared for future crises.

The fourth lesson from COVID-19 is the importance of building forward planning capabilities while managing current operations. Singapore could react quickly when COVID-19 emerged as we had the benefit of learning from our SARS experience. We strengthened our emergency preparedness following SARS and established key public health institutions, including the National Public Health Laboratory (NPHL) which was set up in 2009. It developed a polymerase chain reaction (PCR) test during COVID-19.

There will be other crises in our future. The Public Service must retain our muscle memory in crisis management and strengthen our forward planning capabilities.

5.45 pm

To Mr Patrick Tay's point, we are upskilling our officers to meet new demands in a post-COVID-19 world. This requires our officers to acquire skills in areas such as scenario planning, risk identification, data analytics and sense-making. These skills are not only useful in crisis, but also in the Public Service's work in a dynamic and uncertain world.

To achieve this, we continue to actively invest in training our officers to build broader and deeper competencies in their respective domains. This is further reinforced with a range of "learning by doing" development opportunities such as structured job rotations, inter-agency gig work and bite-sized attachments.

Chairman, I would like to conclude this segment by thanking all our public officers for their contributions over the past three years. Our public officers have not only worked hard, but also applied innovation and worked across agency lines to achieve a common mission – to safeguard lives and livelihoods.

"One Public Service" is not a slogan. It is something that we live by, it is something that we believe in, and it is something that we want our officers to have in their DNA. COVID-19 served as a glue to bring all sectors – public, private and people – together for a larger and higher purpose. As we work together to build Singapore towards SG100, I hope that this partnership will be continuously strengthened, so that we can all better serve Singaporeans and Singapore together.

The Chairman: Mr Murali Pillai.

Mr Murali Pillai: Sir, just a point of clarification. In my speech, I made reference to the respective jurisdictions of the Police and the CPIB in investigating corruption offences. I was really referring to investigative powers such as invoking the power of arrest.

I do appreciate the hon Minister's point about the charging decision, which is, of course, reserved to the public prosecutor. Nonetheless, I appreciate the hon Minister's response, that the CPIB does not need a porting over of the provisions in the Penal Code and I may have to address this matter with the hon Minister for Home Affairs as to whether these provisions in these circumstances would be obsolete and should be repealed.

The Chairman: Mr Louis Ng.

Mr Louis Ng Kok Kwang: Thank you, Sir. I have a clarification for Minister Indranee. Just two points. One on paternity leave. I think we know that fathers in more labour intensive jobs are taking less paternity leave. Could I ask that at least the Prime Minister's Office could deep dive into this and look into specific jobs with the lowest paternity leave usage and see how we can focus our efforts on helping employees in those jobs?

Second on fertility leave, could the Prime Minister's Office at least look into launching a pilot whereby we can give fertility leave to public servants first and see whether that has been effective in helping some of our public servants for a start?

Ms Indranee Rajah: Mr Chairman, with respect to paternity leave, indeed it is a whole-of-society effort and we want to encourage employers and employees in all occupations. So, the areas that Mr Louis Ng has identified would certainly include areas where we want to encourage more take-up of paternity leave.

With respect to his second cut which was for public servants, we always look into the suggestions of Mr Louis Ng with all due seriousness and we will do so in this case.

The Chairman: Ms Ng Ling Ling.

Ms Ng Ling Ling: Thank you, Chairman. I just have one clarification for Minister Indranee. The 6.9 million population target was first set out in the 2013 Population White Paper. I wanted to ask, will the Government consider doing a milestone progress review involving young people?

I appreciate that population projection is a very complex matter, but will we at least involve tertiary students or young professionals who are trained in statistics, in economic modelling, in sociology? Because they were too young when the White Paper was set out in 2013, but they will be the group that will be in the prime of their working years when we reach 2030, when one in four are above 65 and they will have to shoulder quite a high burden. So, I just wanted a clarification on that.

Ms Indranee Rajah: Sorry, could I just clarify with the Member, because she was describing about the young people but I was not sure I heard the question at the end of it.

Ms Ng Ling Ling: The question is whether the Government or the National Population and Talent Division (NPTD) will consider doing a review of what was projected in the 2013 White Paper on population, which had the mention of the 6.9 million population target by 2030, especially young people who are in the tertiary level now and young professionals.

Ms Indranee Rajah: I thank the Member for the clarification. The first thing I want to clarify, and I hope that everybody in the Chamber will pay attention to is, that the figure is not a target. It is a planning parameter and it keeps coming up every time people ask the question, "Is 6.9 million a target?" or "Is the other figure a target?" It is not a target.

I just feel like asking the Chamber, "Everybody, all together now. It is not a target. It is a planning parameter."

It has been mentioned so many times. I think that subliminally and subconsciously people think of it that way. But I really do hope that people understand that it is a guideline, along which we plan; not something that we set out to achieve.

With respect to the Member's suggestion, what we do is, at regular intervals, the Ministries look to see what needs to be done in planning terms. And I think that what we will do is whenever appropriate, the relevant agencies and Ministries will put out the figures or the data that they think is necessary. In terms of engaging people, as to what should go into those plans, we will do that as well.

The Chairman: Ms Hazel Poa.

Ms Hazel Poa: I thank the Minister for her reply to the points that I raised on the Keppel corruption case. First of all, I just wish to say that whatever I have said that was said by Minister Indranee all came from Hansard. I did not put words in your mouth. But I do accept your point that these were supplementary questions and therefore, that could have contributed to the words that conveyed uncertainty and I should not have read too much into it.

Having said that, there were still two questions that I believe remains unanswered to this day, which is that whether the board of directors at the time when the corruption payments were made, were they aware of the act and also whether the six KOM executives were aware of and authorised the corrupt payments. I do not believe I have heard the answer to that. I apologise if I missed it.

Can the Minister give us the reply to those two questions now or if it is not at your disposal, if we were to file Parliamentary Questions again, would we get answers to that?

Ms Indranee Rajah: I thank the Member for her clarification. The Member may ask the question again, but I do not think the answer is going to be any different and let me explain why.

Our investigating agencies investigate offences. They do not, in the course of investigating an offence, go and look for things which are not offences. And what I explained earlier in response, was that, when CPIB is investigating the Keppel case, they are looking to see whether corruption has been committed, and if so, who's committing it. So I explained that part.

I also said – she may not have heard the answer – I said, what I can share is that CPIB looked into the six individuals and the boards of KOM as well as their parent entity Keppel Corporation Limited. And after looking into all of that, the investigations established the involvement of the six individuals. So, six individuals, insofar as offences under the PCA are concerned.

Because when an agency goes in, an agency has to investigate something which is under its remit. You do not go and investigate, let us say, theft, and then start asking whether somebody has committed adultery or whether somebody has committed some other form of offence, unless it has come to your attention. And they are only supposed to investigate offences.

So, the short answer is: they have looked at the corporations, they have looked at individuals and they have narrowed it down to these six individuals. And these six individuals, who they feel are implicated; they cannot clear the evidentiary burden.

When you ask me, did they authorise? My answer is the same. The investigations are carried out by the investigation agencies. I am not privy to the investigations. But the investigation agencies obviously felt that there was reason enough to issue a stern warning. So, they clearly feel that something is not quite right, but they just cannot clear the evidentiary hurdle.

What that tells us is that CPIB has done as much as it can within the remit of the law and that remains the position. So, even if the Member were to ask the question again, the answer will not differ.

The Chairman: Ms Hazel Poa.

Ms Hazel Poa: I thank the Minister for her reply. Can I just then get confirmation that CPIB did not look into whether the board of directors were aware when they were investigating? Because you said that they did their investigation and narrowed down to the six individuals. But when they started the investigation, they would probably be looking at a wider range of individuals who may be involved. So, does that not include whether or not the board of directors were involved? And did they find out whether the board, or did they ask or try to find out whether or not the board is aware?

And with regard to the six KOM executives, you said that you are unable to answer whether they authorised the payment because you are not privy to the investigation. Can I ask whether it is not permitted by law for you to answer the question about whether or not they authorised the payment?

Ms Indranee Rajah: As to the second question, I have answered it. This will be the third time I am answering it, and the answer is the same. I was asked that question, I believe, by Mr Louis Chua, if I am not mistaken. And my answer was, I do not know. I did not conduct the investigations. CPIB has conducted the investigations. They have matters within their knowledge. They do not disclose this to the Executive. They investigate independently.

And this is a very odd thing because for all that some political parties talk about independence and separation of the Executive, they keep trying to get into what ought to be an independent activity. The CPIB has made its investigations, they have arrived at the conclusion that six individuals are implicated and that is as far as I can go. I do not know the answer to that. For this particular answer, it is not that I am not permitted in law to tell you. The answer is, I do not know.

And if you ask, should I go and ask CPIB this, the answer is, it is not appropriate. I should not be interfering in a CPIB investigation. The Executive should not interfere with an investigation. And that is something which is very important for Members in this House to understand. Let the agencies do their work independently, and we should not be going and interfering with their investigations.

What was the first one she reiterated, I am sorry?

Ms Hazel Poa: About the board. Whether when CPIB did the investigation, did they also investigate whether the others were involved?

Ms Indranee Rajah: Yes, so, again, my answer has not changed. When CPIB goes in, they look for commission of an offence and people who may have committed an offence. And if something is not an offence, then obviously they would not be pursuing that. That is as much as I can say.

The Chairman: Ms Sylvia Lim.

Ms Sylvia Lim: Chairman, clarification for Minister Chan Chun Sing on the issue of voting age.

In other countries, we have seen that where there is military conscription, there can be a link with the age of conscription to the voting age. So, for example, in the US, we saw that in the 1960s, there was a big move to bring the voting age from 21 to 18 because teenagers were being conscripted to fight in the Vietnam War. The slogan at that time was "Old enough to fight, old enough to vote".

6.00 pm

So, I would like the Minister to explain to our youths, why they are old enough to fight and defend Singapore with their lives, but they are not old enough to vote.

Mr Chan Chun Sing: Chairman, I think the answer to Ms Sylvia Lim's question had been given previously, but if I may just remind the House. If we look at the rights and responsibilities of all our people, from the age of 16 until 21, there is a gradation of scale. At different ages, they have different rights and different responsibilities; and Ms Lim might want to refer to our previous answer.

Mr Speaker: Mr Leong Mun Wai.

Mr Leong Mun Wai: Thank you, Chairman. I have a question for Minister Indranee. On the KOM case, so far, we have always been talking about the criminal proceedings. But such a big case for our country, there is also a lot of implication on corporate governance. So, I would like to ask a question on corporate governance: for these six individuals – and maybe there are even other individuals – these things have happened and it is a very big case. So, there should be an internal report.

And KOM is a Government-linked company or a Temasek-linked company, so I think that it is within the interest of Parliament to be able to understand the case better. I have, specifically, this interest: are the six individuals, after the case had happened, were they still under the employment of the company? Did the company relieve them of their responsibilities?

The second question, now that they have gotten the warning letter from CPIB, did the company, retrospectively, go and impose some penalties on the six individuals. For example, as far as I know, some companies can take back their bonuses, the bonuses that they have learned in the past, based on these cases that they have now found out that these businesses that they have done in Brazil is not proper, but they could have gotten bonuses and other monetary benefits.

So, is KOM as a company, going to do that? Because this has a lot of implications on corporate governance. Whatever we say about zero tolerance and all that, if all these things are not done, then whatever we say in this Parliament is not going to be credible.

Ms Indranee Rajah: Mr Leong may not be aware, because he was not a Member of this House in 2018 when I answered it, but actually, the bulk of what he has asked about what the company did and actions taken against the employees were, in fact, done prior to 2018 before they entered into the Deferred Prosecution Agreement (DPA).

So, I would ask the Member to read the Hansard and secondly, to also read the DPA. I do not have it with me today, but there is a paragraph in there, which says that Keppel investigated at the material time when this thing came up. Some employees were terminated, some were put on counselling. I had better check, but for some, there were penalties or sanctions, in terms of whether their bonuses — okay, I do not want to be inaccurate. So, please check the DPA, but there were definitely actions and steps taken against the employees.

And as part of the DPA, in order to arrive at that agreement, the US Attorney's Office and the US Department of Justice required a very extensive corporate ethics and governance programme, which KOM was required to comply with before the charges would be withdrawn. And those were complied with, because when the DPA expired, the charges were withdrawn, which means that KOM did comply.

Mr Speaker: Prof Koh Lian Pin, would you like to withdraw the amendment?

Prof Koh Lian Pin: Chairman, I beg leave to withdraw my amendment.

Amendment, by leave, withdrawn.

The sum of \$1,245,254,500 for Head U ordered to stand part of the Main Estimates.

The sum of \$265,178,300 for Head U ordered to stand part of the Development Estimates.

COMMITTEE OF SUPPLY – HEAD M (MINISTRY OF FINANCE)

(A forward-looking Government)

Governance, Costs and Social Resilience

Mr Liang Eng Hwa (Bukit Panjang): Mr Chairman, Sir, I beg to move, "That the total sum to be allocated for Head M of the Estimates be reduced by \$100".

Sir, let me start by commending the Ministry of Finance (MOF) for publishing the Occasional Paper on the Medium-Term Fiscal projections; and releasing it just before the Budget debate. This paper provides a useful forward view on the likely fiscal trends in the next decade, as we debate Budget 2023 and our longer-term positioning in the new era.

It is clear from the Paper that both our operating and development expenditures are rising, and may rise sharply in the years ahead. We look set to be heading towards a recurring spending bill of about 20% of our GDP by 2030. The key drivers are expected: healthcare, wage subsidies, security and other social spending.

We know that these spending, once introduced, can only grow bigger and are unlikely to be reversed. Cutting costs to balance a Budget is increasingly not a possible option. We need to expand and diversify our revenue sources, and hence, growing our economy and growing our reserves for the annuities to help fund the Budget is an imperative. While we cannot cut costs to greatness, we should do our level best to ensure public funds are well spent, spend effectively and are achieving the desired outcomes.

Given this backdrop, I would like to hear from the Minister, how MOF intends to maintain fiscal sustainability, even as our spending needs continue grow? Sir, as our fiscal situation tightened up, it is even more important that MOF scrutinise and ensure that our spending is value-for-money, that cost avoidance procurement practices are adopted, and that we closely monitor and track the outcomes and key performance indexes (KPIs).

In the Budget Statement debate, I expressed concerns about cost pressures faced by businesses and the need to step-up the overall productivity. Many companies transact and do businesses with the Government and the way the Government agencies conduct its operations, and the processes involved, can have a significant impact on cost to the businesses.

While we must be digitally inclusive when dealing with individuals; especially the seniors, we can aim for greater digital pervasiveness when doing businesses with the enterprises. There must be continued obsession to improve processes and users' experience; whether through greater digital adoptions or process streamlining.

In this regard, I would like to ask if MOF has any plans to make doing businesses with Government even more seamless, less time consuming and lower the costs? The Government is a major buyer of goods and services, and many SMEs and start-ups have innovative solutions and product offerings that can be of value to the Government. So, I would like to also ask, how can MOF and the public agencies better support and facilitate the growth of SMEs when they participate in Government procurements?

Sir, Singapore is transiting to a low-carbon economy and the public sector has set itself a net-zero emissions target by around 2045. This is a laudable effort and a major undertaking for the Government. Can I ask the Ministry: how is MOF supporting the whole-of-Government in this effort?

The Government and MOF can also play a significant role helping businesses build green capabilities and capture growth opportunities, given the buying power of the public sector. So, can I seek an update from Minister in this area?

Sir, one other area that I hope that the Government can facilitate to do more is the development of the social sector. The Government can be a catalyst to spur more innovative social solutions and contribute to a stronger social compact. So may I ask the Minister: how is MOF supporting the development of the social sector?

And finally, in this Committee of Supply (COS), can I also seek an update on the various policy measures in place, to encourage philanthropy and volunteerism?

Sir, as I have two more minutes, I just want to add my views to the discussion on the budgetary stance for Budget 2023. Earlier in the debate, Assoc Prof Jamus Lim commented that the fiscal stance for Budget 2023 is a contractionary one. I have a different view. The fact that we have a significant Net Investment Returns Contribution (NIRC) contribution to our Budget every year, currently at 20% of our revenue, would mean that our Budget would necessarily be expansionary. Our expenditures are way higher than the taxes that we collect from the system. Hence, from that angle, our Budget will always be expansionary if we rely on NIRC to balance our books.

Question proposed.

Mr Chairman: Mr Leong Mun Wai, you can take your two cuts together please.

Budget Process and Accounts

Mr Leong Mun Wai (Non-Constituency Member): Mr Chairman, I have questions for the Minister of Finance. Firstly, the termination payment for the Sports Hub was advanced from the Contingencies Fund and this House is now being asked to vote on replacing the amount in a Supplementary Supply Bill, how much is this termination payment? The Contingencies Fund was created for urgent and unforeseen expenditure. Was the termination payment for the Sports Hub so urgent, that it had to be advanced from the Contingencies Fund and not paid out of the Budget 2023?

Secondly, where and when were the \$900 million for SPH Media Trust be accounted for?

Three, are there financial projections available, to determine the amount or transfer to the endowment and trust funds, and is the actual spending from the funds included in the Budget, in the year when the spending was made or is it off-balance sheet of the Budget?

Fourth, when will the financial report on the \$72 billion COVID-19 expenditure be completed?

Fifth, based on what is given in the Budget, can the Minister confirm, what are the total financial assets as of 31 March 2022 and what is the net investment return (NIR) estimated for fiscal year 2023?

What is "Raiding of Reserves"?

Mr Chairman, the People's Action Party (PAP) Government and some of its MPs like to invoke the claim of raiding of the reserves to attack alternative policy ideas and proposals put up by the Opposition. In order to have a more productive debate in this House, it will be helpful to have an understanding of what constitutes "raiding of reserves". I would like to suggest two criteria to assess any new proposal that might affect the reserves.

Firstly, the amount of expenditure required for the new proposal, relative to the size of the reserves and NIR. And secondly, the purpose of the expenditure, any proposal that passes these two criteria, where the amount involved is small relative to the reserves, or even the NIR, and serves an important purpose, should not be accused of raiding the reserves.

Let me illustrate the two criteria using the Affordable Homes Scheme, which the Progress Singapore Party (PSP) recommended during the recent public housing Motion on 7 February 2023. During the debate, I explained that the Affordable Homes Scheme will only defer the accumulation of reserves, because the deferred land cost will be collected when the flat is sold in the future.

And even if, the whole deferred land cost of about \$3 billion per year is not collectable, it is only 6.4% of NIR and 12.8% of NIRC. We do not even need to use our reserves, so we have passed criteria one comfortably.

For criteria two, the money is to be spent on an important and noble purpose, which is to make the Housing and Development Board (HDB) flat affordable and accessible for every Singaporean, of each generation. It will allow Singaporeans to retire comfortably, without having to sell his flat or downgrade. The financial security accorded is expected to unleash the innovative and entrepreneurial spirit in Singaporeans, and you would be able to better compete with the rest of the world. So, we also passed criteria two.

6.15 pm

Hence, based on the two criteria above, the affordable home scheme is an example of an alternative policy that does not constitute a raiding of reserves according to my definition. I hope to hear from the Minister what does she think.

In the future, from my point of view, if the Government makes such accusations again, I will call them baseless allegations. Singaporeans deserve better for country, for people.

President's Recommendation for Bills

Mr Leon Perera (Aljunied): Mr Chairman, my cut today refers to my exchange with Minister Indranee Rajah during the debate on the Carbon Pricing (Amendment) Bill.

In the exchange, I was told the Presidential approval had not been obtained on my proposed amendments. I asked the Government when these amendments had been referred to the President to obtain the decision to which Minister Indranee Rajah made this reply and I am quoting a little from the longest speech she made in the interest of time, "We determine that my amendments could not be supported, the reasons explained earlier by my colleagues and, as the amendments could not be supported, they will not put forward to the President for the President's recommendation."

From this, it would seem that the exercise of the President's power to approve legislation that has fiscal implications has to be according to the Cabinet's advice. It would also seem that the Government can and does deem the President's approval to have been given or not given without necessarily referring the matter to the President.

As I understand the statement, she did say that the President's approval or non-approval could be, to all practical intents and purposes, deemed to have been given by the Cabinet. And it did say that that particular matter had not been referred to the President.

So, my questions here are two-fold.

Firstly, in cases where the President has a constitutional duty to say "yes" or "no" to certain matters such as legislation with fiscal implications and when her decision can be deemed to have been given one way or the other by the Cabinet, is the matter referred to the President, the CPA and the other staff in the office of the President for at least discussion or information prior to the Cabinet's decision?

And secondly, and much more importantly, what is the rationale for having such provisions in the Constitution whereby the Cabinet can deem the President to have said "yes" or "no" on certain matters and, hence, decide by itself?

The role of the President in this regard does not seem to serve any check or balance function. What function then does it serve? One asks oneself what possible purpose could be served by such a procedural requirement baked into the Constitution. I can see no benefit to the body politic. In fact, I see a downside.

Making it known that the President's approval is deemed by the Cabinet in certain domains as happened in November last year does not serve to enhance the prestige and standing of the Office of the President in the eyes of the public.

In fact, to the contrary, this practice of "deemed approval" risks being seen by the public as involving the Office of President in a rubber-stamping or box-ticking exercise. It serves no constructive purpose and undermines the standing of the President.

If there is no real reason for such provisions, will the Government do away with these provisions at some point in the future, given that there are no upsides but only downsides? Unless there are some upsides I cannot fathom right now and which the Government can explain.

The Chairman: Mr Saktiandi Supaat, you can take both your cuts together.

Good Governance Practices

Mr Saktiandi Supaat (Bishan-Toa Payoh): Mr Chairman, our success in weathering the recent COVID-19 pandemic came down largely to our ability to utilise our deep financial reserves, which have been accumulated by the Government who has spent public monies responsibly and prudently.

In refining our checks on public spending, we must be cautious not to add further unnecessary or disproportionate bureaucracy as this will erode whatever savings we achieve from public procurement. For example, while I agree there is still room to invest in automated systems and training to eliminate human error, adding another one to two levels of approving authorities may be an inefficient and even ineffective solution.

Whether under Emergency Procurement or normal procurement procedures, how does Ministry of Finance (MOF) ensure that public spending is scrutinised adequately to enable cost savings and what efforts are being undertaken to ensure prudent spending at all levels across the Government? How are larger projects, for example, like infrastructure spending being monitored?

Helping Businesses Reduce Cost

Mr Chairman, the public sector is a major buyer of goods and services. Set up in June 2000, GeBIZ was ahead of its time and was followed by many other e-procurement systems in other countries aimed at enhancing transparent competition and lowering the barriers for small and medium enterprises (SMEs) to pitch for valuable Government contracts.

We should not rest on our laurels. How can GeBIZ be further augmented to help businesses save time and money in their transactions with Government agencies? For example, we can explore adding new features to integrate any industry briefings, tender briefings or site show-rounds with the relevant tender opportunities; and to engage with the procurement agency regarding any tender clarifications.

Besides ensuring that the public sector obtains the best value-for-money, public procurement can serve the role of supporting the growth of promising SMEs and startups who have innovative solutions. In line with our strategy of supply diversification for resilience, can MOF's "value-for-money" metric accommodate this aim? And what else can MOF do to help support the growth of promising SMEs through Government procurement?

Supporting SMEs through Procurement

Mr Edward Chia Bing Hui (Holland-Bukit Timah): Mr Chairman, Sir, SMEs make up 99% of all businesses in Singapore's economy, employing nearly seven out of 10 workers and contributing close to half of our GDP. We should look for ways to further grow SMEs to large local enterprises (LLEs) to increase their scale and per capita contribution to our economy.

Accordingly, I call upon MOF to facilitate more procurement opportunities for SMEs. What can MOF do to help support the growth of promising SMEs through Government procurements? In 2021, more than 80% of the procurement opportunities were open to SMEs. How can we further ensure that more such opportunities are made available for SMEs?

Currently, a gap exists in contract value threshold for a request for quotations and tender. Also, can the Government review financial grading requirements for certain types of products and services to crowd source more innovative solutions? Some of these solutions can be provided by startups who may not meet the required financial grading due to the stage of their companies' growth. By doing so, the Government can tap on new innovations.

An "in-between" or middle ground can exist, where there is a "tender-lite system" which can provide SMEs and startups procure opportunities more readily. Tenders do take significant time and resources for SMEs and startups which translates to opportunity costs.

In relation to the point on opportunity costs, can the Government streamline its processes to help businesses save time and money in their transactions with Government agencies? Can these digital solutions and innovations in turn encourage more efficient ways of doing business between companies and their suppliers and customers?

Mr Chairman, Sir, increasing access to public sector contracts and reducing cost and time to transact with Government at the tender and operational stages can significantly help grow our SMEs and startups.

Supporting Net-zero Transition

Ms Mariam Jaafar (Sembawang): Sir, like many in this House, I was cheered when Singapore brought forward its Singapore's NDCs to reach net zero by 2050, and for the public sector to achieve net-zero emissions by around 2045.

This is a significant commitment and a non-trivial one to achieve, especially in the midst of an energy crisis. Many decarbonisation technologies are already ready today, but the speed of rollout depends on various other factors like infrastructure upgrades, business model and regulatory changes. EVs come to mind here. While other decarbonisation technologies, especially in hard to abate sectors of the economy, are not yet available at scale today. Until technologies like green hydrogen or CCUS become cost competitive versus carbon intensive alternatives, it will be difficult to mobilise the capital needed to scale and bring them down the cost curve over time.

Governments must play their part to incentivise the flow of investment into these climate solutions, and the transition to these solutions given their cost disadvantage. By giving incentives to reduce the "green premium", and through innovative risk sharing and financing structures, including public-private partnerships, Government can be the catalyst for a faster transition. Some governments have made bolder policy moves. The US Inflation Reduction Act (IRA) of August 2022 has been billed as the largest piece of federal legislation to address climate change. Investing \$391 billion in provisions related to energy security and climate change, including tax incentives and a green bank. The tax credits of \$3 per kg of hydrogen is particularly notable, turning the US into one of the cheapest countries in the world to produce green hydrogen.

In Singapore the Government has many fiscal and non-tax levers to drive the transition which it has used, such as carbon tax, and funding for research. Given recent developments, can the Minister provide an update on how MOF is supporting the transition to net zero?

Enabling Philanthropic Impact

Ms Foo Mee Har (West Coast): Chairman, we anticipate a tighter fiscal space in the coming years. There is scope for wealthy families, businesses and individuals to contribute meaningfully through philanthropy to our rising needs. Unlike a conventional system that relies heavily on taxation and redistribution, philanthropy offers the added benefit of strengthening our social compact.

The number of wealth owners and family offices in Singapore continues to grow at a healthy rate. Many of them have expressed interest to give back to society, both in Singapore and regionally. The Philanthropy Tax Incentive Scheme announced in Budget 2023 for Family Offices is another important step to facilitate philanthropy and to meet Singapore's ambition to be Asia's philanthropic hub.

As we encourage philanthropy to continue to grow, it is important to ask what types of philanthropy will have the greatest impact on Singapore.

Prof Rob Reich of Stanford University has argued that philanthropy has a special role in discovery and experimentation, serving as society's "risk capital" to foster innovation in important areas that deemed to carry too much risk for Government or private sector appetites.

As such, philanthropy can be catalytic and complementary to public funding – it can identify and support high-impact opportunities that are in its early stage. When the solutions are proven, philanthropists can partner with the public sector to scale them up.

It is also important to identify the most pressing areas of need where philanthropy can have the greatest impact. Take climate change as an example – it is an existential imperative, and the negative effects of climate change will also exacerbate other areas of need, such as global health and pandemics, inequality and displacement of communities.

As a recent McKinsey climate philanthropy report has noted, philanthropists possess both resources and expertise to support climate mitigation and adaptation solutions, especially in areas that may lack market support.

They can quickly deploy unrestricted funds in response to urgent problems such as natural disasters, back high-risk ventures, convene stakeholders and promote collaboration, develop and share research, and support large-scale implementation of climate solutions. So, I want to ask how can the Government foster support and public-private partnerships, both in Singapore and overseas, for such philanthropic causes, to address some of society's most pressing challenges and issues?

In promoting philanthropy, we must also consider policies across the continuum of doing good, which is wide-ranging and can include venture philanthropy, concessionary capital and impact investing – a broad range continuum.

Many wealth owners, especially those in the next generation, are looking towards these newer and more innovative approaches, sometimes referred to as "moon-shot" philanthropy.

So, we must also recognise that beyond grant making, there are other ways to give back such as volunteerism and the contribution of skills and networks. As the Government develops more initiatives and policies to promote philanthropy, how can it promote more diverse ways of doing good?

The Chairman: Senior Minister of State Chee Hong Tat.

The Senior Minister of State for Finance (Mr Chee Hong Tat): Mr Chairman, I thank Members for their questions and suggestions.

Mr Liang Eng Hwa and Mr Saktiandi Supaat asked how the Government ensures fiscal sustainability and spend prudently within our means.

Besides the audits by the Auditor-General's Office and our internal auditors, MOF conducts regular reviews of Ministries' budgets to identify areas for improvement and ensures every Ministry uses its allocated resources efficiently and effectively.

6.30 pm

Singapore's overall performance has been good, with current Government expenditure being around 18% of GDP. Even as our expenditures grow further and exceed 20% of GDP by 2030, our Government expenditure as a percentage of GDP is significantly lower than most developed countries. At the same time, we are able to achieve positive economic and social outcomes for Singapore and Singaporeans.

One example is how we reduce the costs of major Government infrastructure projects by applying a stringent cost-effectiveness evaluation together with experts from the private sector and academia. In 2022, we achieved total cost avoidance of around \$1 billion through this process. This \$1 billion saved means we can put it to good use and meet our spending needs in other areas.

The Government also looks out for other forms of savings by integrating different projects to maximise the synergies. For example, the upcoming East Coast Integrated Depot, which incorporates three MRT depots and one bus depot, saved about 44 hectares of land. This is twice the land size of Changi Airport's Terminal 4 or equivalent to approximately 60 football fields.

Another example is VITAL's Demand Aggregation contracts for common buys such as office supplies, catering and courier services. These saved the Government more than \$50 million per annum. This approach also reduces the need for agencies to call separate tenders and quotations, saving at least 100,000 man-hours a year.

Sir, Mr Liang, Mr Edward Chia, Ms Mariam Jafaar and Mr Saktiandi asked how MOF helps businesses to reduce costs and build capabilities for growth. The Government will continue to implement pro-business policies and measures and provide an environment that enables them to grow and succeed.

Besides supporting businesses through our economic agencies and via a comprehensive suite of grants and incentives for innovation, productivity improvements and skills-upgrading, there are two additional areas where MOF's work benefit our companies.

First, by simplifying Government rules and processes, we enable businesses to save time and money when they transact with Government. Second, by helping businesses build capabilities to enhance their competitiveness and access new opportunities, both locally and abroad.

Let me share some examples.

We recently launched eGuarantee@Gov, a simple and secure digital process for businesses and individuals to provide a banker's guarantee or insurance bond to Government agencies. Businesses can apply for an eGuarantee from over 20 participating financial institutions online for direct submission to Government agencies within a day.

With eGuarantee@Gov, there is no longer a need to visit a bank to purchase a physical copy of the guarantee or to pay for courier services to deliver it. The new arrangement is quicker, better and cheaper. We expect up to 4,000 eGuarantees to be lodged in 2023, resulting in overall savings for all stakeholders of about \$500,000 per year.

There is also scope in the future for eGuarantees to extend to commercial transactions between businesses and their suppliers and customers. MOF and the Ministry of Trade and Industry (MTI) will work with the financial institutions and trade association and chambers to encourage adoption of eGuarantees for such transactions.

Just as the use of PayNow for digital payments has allowed businesses and individuals to enjoy lower transaction costs and time savings compared to the traditional method of using cheques, the adoption of eGuarantees can bring about benefits compared to the current method of providing physical bank guarantees.

Next, MOF removed the requirement for businesses with annual turnover of less than \$5 million to submit audited accounts when applying for Government Supplier Registration. This benefits about 2,400 small and medium enterprises (SMEs) annually, with estimated cost savings of around \$4.5 million per year.

MOF continually makes improvements to GeBIZ, the Government-wide procurement system. For instance, about 3,000 businesses can benefit from the Supplier File Repository by the end of this year. Businesses no longer need to submit the same financial statements and company profile when responding to different Government quotations and tenders. We will also consider the features that Mr Saktiandi mentioned for future improvements.

Sir, another example is Inland Revenue Authority of Singapore's (IRAS) initiative to encourage businesses to use seamless filing software. Such software provides many productivity benefits for businesses, as they can automatically generate and file their corporate income tax computations and returns. This process takes only 15 minutes compared to the estimated eight hours required for manual preparation and submission.

Moving on to the next area of how MOF supports businesses to develop capabilities for growth. We will continue to simplify our processes for suppliers, including SMEs, to participate in Government tenders while maintaining a level-playing field for all businesses and achieving value-for-money procurement outcomes. For procurement below \$90,000, financial track record is not required. The terms and conditions are also simplified. For example, there is no requirement to provide security deposits.

SMEs participate actively in our Government contracts and about 80% of these are awarded to SMEs annually. Winning Government contracts gives SMEs the opportunity to build up their track records, develop capabilities and capacity to tap into new growth areas.

To further improve the access of SMEs to business opportunities through Government tenders, MOF will introduce a new category of tender by the end of 2023 called "Tender Lite", which comes with fewer and simpler conditions.

Tender Lite will allow more suppliers to participate in tenders with value higher than \$90,000 but below \$1 million and is estimated to cover over 70% of all Government tenders that are currently awarded to SMEs.

MOF will work with representatives from Singapore Business Federation and the Association of Small and Medium Enterprises, as well as Government agencies on the design of Tender Lite. We believe this approach of Government and industry working together as partners will bring about win-win outcomes and allow us to move faster and innovate new solutions more effectively. My colleagues and I are keen to continue the partnership with our industry partners beyond Tender Lite and extend the collaboration to other subsequent areas of work that will benefit our businesses.

Members such as Mr Derrick Goh have highlighted during the Budget debate that Government can help prepare SMEs for new requirements and opportunities in environmental sustainability. We agree. The public sector is supporting our suppliers' efforts to adopt greener practices which are increasingly in demand by other major buyers. Over the years, the Government has incorporated environmental sustainability requirements into our procurement such as requiring information and communication technology (ICT) equipment and air conditioners to meet energy efficiency standards.

Our target is to include environmental sustainability requirements and evaluation criteria into all Government procurement within the next five years, in a manner that keeps pace with industry readiness and international developments.

Starting from FY2024, for tenders of construction projects and ICT projects with minimum estimated procurement value of \$50 million and \$10 million respectively, we will set aside up to 5% of the evaluation points for sustainability-related considerations. The Government will further engage the industry stakeholders on the details of these measures.

Another capability that is increasingly sought after is sustainability reporting. Businesses that can provide good sustainability-related information can gain competitive advantage, expand into markets and potentially access cheaper funds through green financing.

To drive sustainability reporting efforts for the industry, Accounting and Corporate Regulatory Authority (ACRA) and the Singapore Exchange Regulation established the Sustainability Reporting Advisory Committee in June 2022. The Committee will embark on its public consultations later this year.

Businesses also need to accelerate their pace of digitalisation, a point which Mr Liang made. The Government will implement InvoiceNow as the default e-invoice submission channel for all Government vendors within the next few years. Using InvoiceNow will help businesses improve efficiency and reduce cost, by eliminating the need for manual processing and it also reduces errors. Businesses transacting on InvoiceNow can save \$8 per invoice compared to the manual process.

InvoiceNow also facilitates the direct transmission of invoices in a structured and standardised digital format that is accepted internationally across finance systems, and this helps businesses access overseas markets more easily. Today, about 55,000 businesses have adopted InvoiceNow, supported by 200 service providers. I encourage more businesses to come on board.

Sir, Mr Liang and Ms Foo Mee Har asked how MOF will support and encourage more philanthropy and volunteerism from corporations and the community.

Philanthropy and volunteerism are key elements for building a strong social compact. There is something intangible and different in how we build up the character of our society, when people go beyond what they are required to contribute under our fair and progressive tax and benefits system, where everyone contributes something and those who are better off contribute more. Many Singaporeans and also foreigners and companies who are based here, have an interest in philanthropy and are keen to help others in society.

We have been strengthening our ecosystem to encourage their contributions and participation to maximise the positive impact to our local communities.

This is a good way to keep our society cohesive and strengthen our solidarity as one united people. Not only through taxation and redistribution which are done through policies and laws but also through philanthropy and volunteerism which come from willing hands and loving hearts.

MOF provides funding support for many community and ground-up programmes which contribute to the development of the social sector. There are many existing efforts by agencies working with intermediaries like the Community Foundation of Singapore and ComChest, as well as beneficiaries to link up donors with suitable charitable causes.

I have also met wonderful people such as those from Utama and Majurity Trust, who started initiatives to help raise donations from high net worth individuals and corporations to fund worthy social causes like caring for vulnerable seniors and providing opportunities for children from lower-income families.

The Government provides broad-based support in the form of 250% tax deductions for qualifying donations to Institutions of a Public Character (IPCs) and the Corporate Volunteer Scheme (CVS) supports volunteerism efforts by businesses in IPCs.

The Government also provides matching grants to encourage charitable giving. For example, we allocated a top-up of \$100 million to the Tote Board's Enhanced Fundraising Programme which in turn provides dollar-for-dollar matching on eligible donations received by charities.

Sir, to build stronger social resilience, the Government will continue to encourage our community especially those who have done well to engage in sustained giving and volunteerism. Through such efforts, we will strengthen our social compact and build a more caring and inclusive Singapore.

This will then provide the social cohesion and stability for us to pursue pro-growth policies and enlarge our economic pie, generate more opportunities and provide more resources that we can then use to invest in our collective future and support the vulnerable amongst us.

In this way, we can strengthen our social compact and grow our economy at the same time. The two objectives will reinforce and support each other, allowing us to move forward while staying together.

The Chairman: Minister Indranee Rajah.

The Second Minister for Finance (Ms Indranee Rajah): Mr Chairman, I will be responding to the cuts filed by Mr Leon Perera and Mr Leong Mun Wai.

Mr Leon Perera asked about the processes for obtaining the President's recommendation to move a Bill, or amendments to a Bill tabled in Parliament.

Mr Chairman, under Article 59(2) of the Constitution, Bills or amendments with financial implications cannot be introduced or moved in this House without the President's recommendation. This mechanism ensures that the Government of the day has the sole right and responsibility to initiate financial legislation and therefore financial legislation cannot proceed without the Government's support.

It is very important to understand in this context, that for the purposes of Article 59(2), when the President gives his or her recommendation, it is upon the advice of the Government and not at the discretion of the President.

If the recommendation is provided, then it shows that the legislation or amendment has the Government's support. This is different from the other provisions of the Constitution where the President acts upon his or her discretion, for example, in relation to draws on past reserves or the appointment of certain key appointment holders.

Where the requirement in Article 59(2) is triggered and the Government does not support the Bill or amendment, there is no need to seek or to advise the President not to provide the recommendation. It is sufficient to inform the House that the Bill or amendment does not have the President's recommendation in accordance with the Standing Orders.

Where the Government supports the Bill or the amendment, the Government will seek the recommendation of the President and formally advise the President to provide such recommendation.

This requirement for Government support before financial legislation can be passed is a standard arrangement of many Commonwealth parliamentary democracies, although the mechanisms may vary.

In Singapore, it is done through the mechanism of the President's recommendation, as I have explained.

In New Zealand, where a Bill or amendment "would have more than a minor impact on the Government's fiscal aggregates if it became law", the government may issue a "Financial veto certificate" to state that it does not concur with the Bill or amendment, in which event, such Bill or amendment cannot be passed.

In Canada, this is done by requiring the royal recommendation, which may only be obtained by a Minister, to be conveyed to Parliament.

While the mechanisms may vary from country to country, the principle underpinning them is the same. That is to say, a Bill or an amendment with financial implications cannot be passed if the government of the day does not support it, in recognition of the principle that responsibility for financial matters lies with the Government.

So, earlier, when Mr Leon Perera talked about "deeming", there is no "deeming" involved. If the Government does not support the Bill or the amendment, the Government would not even need to put it to the President. But if the Government supports it, then the Government will put it to the President with the requisite advice and the recommendation would be signified in Parliament.

Hence, the Council of Presidential Advisers (CPA) is also not engaged because this is not a discretionary function of the President. The President may consult the CPA for the discretionary functions.

For a Government Bill falling within the scope of Article 59(2), the Minister giving notice of the introduction of the Bill must indicate whether the President's recommendation is required and when introducing the Bill at First Reading, must signify whether the recommendation has been obtained. This is provided for in Standing Order 67(1).

Members may recall that a few days ago, I introduced the Supply Bill. When I introduced the Supply Bill, I signified to the Chamber that I had the President's recommendation.

In the case of a private Member's Bill, the Minister for Finance has to inform the Speaker whether the President's recommendation is required under Article 59(2).

If the Minister for Finance informs the Speaker that the President's recommendation is in fact required, then, before the Member can be called upon to move the Motion seeking leave to introduce this Bill under Standing Order 66(1), a Cabinet Minister must signify to Parliament whether the President's recommendation has been obtained.

If no such recommendation has been obtained, the Speaker shall not allow the Motion for leave to introduce the Bill to be moved. The same procedure applies to amendments proposed to Bills. That is under Standing Order 74(3)(c).

One more thing I should add, which is that if a Member intends to propose a Bill or amendments to a Bill, which make provision directly or indirectly for the list of financial matters listed in Article 59(2), he or she should inform the Ministry or Minister with oversight of the matters in the Bill or amendment as soon as possible and ideally no later than the time of filing the relevant notices with Parliament so that the relevant assessments and steps can be taken.

If the Member is not sure whether the matters in the Bill or amendment are caught by the provisions of Article 59(2), then all the more so it would be advisable to inform the relevant Ministry or Minister early.

That deals with Mr Perera's cut. I move on to Mr Leong Mun Wai's cuts.

Sir, Mr Leong Mun Wai had a series of, I think, five questions. Mr Leong did not provide the indication of these beforehand. Normally in the gist of the Budget cuts, Members are asked to provide the gist. I also do send out a notice, generally, to ask people to provide the gist of their cuts because it will then enable us to respond in a more considered or fuller manner.

With respect to the five questions which basically were given on the spot, I will give such replies as I can. If the Member has any other things, it will have to be taken up separately. Let me just run through very quickly.

I think the first question was on the termination of the Sports Hub. I would say in response the reason for the termination of the Sports Hub was addressed in the Ministry of Culture, Community and Youth (MCCY)'s Ministerial Statement in August 2022.

The reasons for the urgency and the use of the Contingency Fund was: first, the transaction was market sensitive; and second, it was an opportune time to develop the Kallang Alive precinct as the sports sector recovered from COVID-19. The termination sum will be paid in this financial year.

For his second question on the SPH Media Trust, that is from the Ministry of Communications and Information (MCI)'s annual budget from FY2022 to FY2026. However, no money has been disbursed as Minister Josephine Teo had said in Parliament.

For his third question, disbursement figures from the Government statutory funds are in the Government Financial Statements. The disbursement figures for the funds under the Statutory Boards are included in their financial statements.

For his fourth question, the audit of the full \$72.3 billion will be completed by the end of FY2024. This was answered earlier this month by Senior Minister of State Chee in a response to a Parliamentary Question.

For the fifth question, I think the answers there can be found in the Budget Book.

Then, with regard to his last point about what is the definition of "raiding the reserves", Mr Chairman, it is not a term of art. Essentially, we have a framework on how the reserves are to be used. When the principal amount is taken or drawn down or when land is alienated and if it is not made good or put back, that is a draw on the reserves.

It is a simple principle that we adhere to. The framework is clear. It is not necessary for me to go into a definitional argument. The reasons and the rationale of when you can have a draw on the reserves are clear. A pandemic would be a good reason – when you are facing potential catastrophe and you have to save the economy, you have to save people. That is something that is built into the current framework. The reserves can only be used with the agreement of the President.

The Chairman: Mr Leong Mun Wai.

Mr Leong Mun Wai: Chairman, I thank the Minister for the reply. I have three questions.

One is that given the kind of payments like the Sports Hub and also SPH Media Trust, where is a big payment to a third party, what is the procedure whereby the Parliament can come in and have oversight over such expenditure? Meaning, how far can the Government just approve the expenditure, just like that?

For example, now, we have this SINGA Bill where infrastructural projects that are more than \$4 billion require – when it goes through the SINGA Bill, then it comes to Parliament. But does it mean that if in the future, there is a project where we need to terminate the project and it is a \$4 billion payout, the Government just makes the decision like that without Parliament scrutinising the numbers? That is one question.

The second question is, to your best knowledge as the Second Minister for Finance, what is the percentage of the endowment funds that are being paid out every year – as a percentage of the outstanding assets that these endowment funds have at the moment?

The third question, with regards to the raiding of reserves. Your question basically means – does it mean that as long as the Government has a set of rules, we cannot debate against that set of rules? In this case, it is a set of rules regarding reserves management and the recording of the reserves.

You can always say that what you have proposed is not in line with our reserve management policies but we can still discuss about it. There is no need to say right from the beginning, that this is a raiding the reserves and it is not only one time, but many many times by many people and over the mass media and all that.

The Chairman: Could we keep it concise so that others can ask their clarifications?

Mr Leong Mun Wai: That is my third question. Okay.

Ms Indranee Rajah: I thank the Member for his clarifications.

I think his first question is related to what authority does the Government have and what is the relationship with Parliament and the degree of oversight. I should start off with the first premise, which is that when the people elect the Government, it is to govern. It is to run the Government. Therefore, there are quite a large scope of things which is under the authority of the Government.

The Government, obviously, has to be accountable. Hence, when the Government is accountable, it has to come back to Parliament for various things. But when it comes to Parliament, it is usually to scrutinise broad policy and not the day-to-day operational matters.

So, the debate that we just had, for example, the Budget debate we call it the Budget debate but actually, people forget what it actually is. It is a Motion to ask this House to approve the Government's financial policy. You approve the financial policy, all those broad headings and the broad expenditure that is agreed to by Parliament, but the details of how that is to be spent if it is within the block budget, that is really within the Ministries' purview.

But if it is thought, for example, that the Ministry has not done well in its expenditure, that can be queried in Parliament either through Parliamentary Questions, and we also have the Estimates Committee, which is a standing Parliamentary Select Committee which examines the Government's Budget and raises questions thereon. I think that is available to the Member as well.

So, we have a whole series of checks and balances. You have got the Constitution, which sets the framework. The fiscal policy or financial policy is subject to Parliamentary approval and subject to debate. We have got the Estimates Committee. There is also the Public Accounts Committee. It is also subject to independent audits by the Auditor-General's Office (AGO). The Public Accounts Committee also examines the Government's accounts and the AGO's report and calls on the relevant agencies to explain particular issues or to take corrective actions.

For the second question on the extent of funds paid out every year, since that is a very specific question requiring certain data, perhaps the Member can file a question on that. I do not have that offhand.

The third question was, I think the Member put it this way – he said does it mean that if the Government has a set of rules, we cannot debate it because he said we can always say it is not in line. He also said that there was no need to say that it is raiding one time but all the time. Let me deal with the two separately.

The first one – does it mean that we have a set of rules? The answer is yes. We do have a set of rules. Does it mean that you cannot debate the rules? No. If you want to change the reserves framework, by all means, you can debate that. You can suggest that it should be changed.

But so long as the rules are in place and so long as what is proposed is not in conformance with those rules and is a draw on the reserves, then it means that it falls outside or breaches, if you like, or it is not in accordance with the rules.

So, there are two things. You have a set of rules. And if you want to debate whether that should or should not be the rule, that is entirely up to that Member's prerogative. But if what you happen to be proposing does not fall within the rules, then the Government is entitled to say that it would be a draw or, put it in a slightly easier to understand form, it will be a raid on the reserves.

7.00 pm

And secondly, Mr Leong suggested that there is no need to say raiding the reserves, not one time but many, many times. The answer is that, if your proposals do actually intend to draw down the reserves not one time but many, many times, then, inevitably, it will draw the reaction that you are raiding not one time but many, many times. So, it all depends on your proposal.

The Chairman: Mr Liang Eng Hwa.

Mr Liang Eng Hwa: Sir, just want to come back to the question I raised in my cut which is whether the Government can do more to review our rules and procedures so that we can be more pro-business and help businesses save cost and save time.

I often hear this feedback from the businesses. The pain point is always that the Government rules can be quite cumbersome and some are unnecessary and the procedures can be quite inefficient. I would like to ask the Senior Minister of State again if the Government can do more here.

Mr Chee Hong Tat: Mr Chairman, I thank Mr Liang for asking this very important question. The Government deals with quite a lot of businesses: in our capacity as regulator, when they are applying for licence, they need our permit to operate; or as a buyer, when we procure services and then they are our suppliers.

In both instances, there is scope for us to continue to look for ways in which we can do better in our interactions with businesses especially smaller businesses, the SMEs, because they do not have a lot of resources. So, when we design our licensing framework, when we design our rules and procedures, we also want to make sure that they are able to comply with not too much difficulty.

Sir, I want to highlight that this is not just an MOF effort. This is actually a whole-of-Government effort. And my colleagues from the other Government Ministries and agencies, have also been embarking on this initiative. One of the initiatives, Mr Liang is aware, is the Pro-Enterprise Panel under the Ministry of Trade and Industry (MTI) where we regularly solicit feedback from businesses and from trade associations on where are some of the pain points and where are some of the areas for improvement.

I recall, a few years ago, when I was with MTI, I shared an example of how we used business process, re-engineering and digital transformation to implement Go-Business licensing portal where we shortened the processing time for food-related businesses when they applied for licenses by up to 14 days and we cut down the number of forms that they need to submit. Previously, I think it was 14 altogether, more than 800 data fields. We did some consolidation and we reduced it to one form with fewer than 90 data fields, and we removed some of the duplicate licences and helped them to save on licensing fees. When you remove some of these, then they do not have to apply, do not have to pay.

This is something we want to keep doing and it has to be a partnership with our businesses and our trade associations, because the Government may not know fully where are all the pain points and where are all the areas for improvement. But from the users' point of view, the businesses will know. That is why I mentioned in my speech earlier that I want to work closely with SBF and ASME, not just to improve on the tender processes by introducing Tender Lite, which is one of the ways to help businesses, but also on other pro-business initiatives.

Ms Indranee Rajah: Sorry, Mr Chairman, I just wanted to clarify something to make sure I was absolutely accurate in my answer to Mr Leon Perera earlier, about when the President consults the Council of Presidential Advisors (CPA). I just wanted to clarify that the President must consult the Council before exercising any discretionary power, unless it is one of the excluded matters in Article 37I(A)2, that she only

needed to consult in some situations.

The Chairman: Assoc Prof Jamus Lim.

Assoc Prof Jamus Jerome Lim (Sengkang): Thank you, Chair. The hon Member Mr Liang had suggested earlier on and, if I heard correctly, that so long as we have a positive NIRC, then the Budget must necessarily be expansionary.

May I first clarify that that was indeed what he said.

And, if so, since the NIRC has been consistently positive, at least since 2008, would that mean that he believes that over the past decade and a half, that we have never run a contractionary fiscal stance? And I am wondering if the Minister of Finance or anyone from the Finance Ministry is willing to corroborate this characterisation.

If what the Member meant was, so long as the sum of the NIRC and revenue is less than expenditure, then it is expansionary. I actually have no quarrel with that. But since the NIRC has, in fact, been positive, this would actually mean an even greater surplus over expenditure, which would mean an even more contractionary budget, contrary to an expansionary one.

The Chairman: Mr Liang.

Mr Liang Eng Hwa: My point was that our expenditures are way higher than the taxes that we collected from the system. In that regard, it is expansionary because we are spending more than that we collect from the taxes. And in reference to the clarification earlier that the Member said that every dollar in the tax that the Government collected is taking out from the system. But, here, in our case, our expenditures are way above the revenue that we collect from taxes.

The Chairman: Ms Foo Mee Har.

Ms Foo Mee Har: Thank you, Chair. I have two clarifications for Senior Minister of State Chee, not on philanthropy because the question roughly is answered, but two clarifications regarding a debate brought up here.

First, Senior Minister of State spoke about Government's effort to support businesses, especially SMEs. So, how we pay them is going to be important. I would like to ask, this has been brought up in previous speeches, what is Government's plan to try and pay the businesses transacts within 14 days? Is that achievable, that request from Nominated Member of Parliament Ms Janet Ang?

The second clarification is, what is the targeted adoption rate for e-invoice for transaction with Government? The Senior Minister of State spoke about that just now. I want to ask what happens if some SMEs have not put in place the necessary infrastructure? Does that mean they cannot participate in Government procurement?

Mr Chee Hong Tat: Mr Chairman, the current payment term for the Government to pay our suppliers is within 30 days. And this is a standard that I would say, is comparable, if not, better than some of the other governments and even private sector companies. But we will want to work towards, where possible, to shorten the payment period. Because, as the Member correctly pointed out, this will directly benefit our SMEs in terms of cashflow.

I would want to caveat that a little bit by saying that it depends really on the nature of the contract. There are some that are more straightforward – the service has been provided, the product has been delivered, everything is okay, we can try and speed it up. But there are some that may require more evaluation because it is not so straightforward, or if the amounts are much bigger and we need to be careful, with due diligence, in order to ensure value for money and prudent spending.

Rather than to have sort of a blanket yes or no, we will certainly aim to work towards where we can – for simpler, more straightforward contracts, smaller amounts, we try our best to go within 14 days. But larger amounts, more complex contracts, we may need to give the agencies a bit more time so that they also can safeguard the interests of public funds.

The Chairman: Mr Leon Perera.

Mr Leon Perera: Thank you, Mr Chairman. I would like to thank Minister Indranee Rajah for her reply to my cut.

I just have one clarification, and I appreciate her laying out the process for seeking the President's recommendation on Bills, with fiscal implications as well as speaking about areas of exercisable discretion and so on. Those points are well taken.

My clarification is just about why there is a need to have this rather curious and complicated procedure, where for these matters, something is referred to the President, but then, the Cabinet instructs the President to act in a very prescriptive way and President has to act that way and then the Bill can move forward in Parliament.

It does not seem to serve any constructive purpose, in terms of time and the administrative effort and efficiency. And moreover, would the Minister give some thought to the consideration I raised? There is a potential disamenity in keeping such arrangements in place which is that of the President being seen to be a part of this sort of procedure which involves box-ticking or rubber stamping. It could be seen that way. It does not really help the standing of the Office of the President and just seems unnecessary.

Will the Government consider reforming this aspect of the Constitution to sort of do away with that procedural step. And before I resume my seat, I just want to say that it should be clear that we have debated in this Chamber before on the Workers' Party's position on the Presidency —

The Chairman: If you could keep it short on this point.

Mr Leon Perera: That it should revert to a ceremonial Presidency. So, this does not change that.

Ms Indranee Rajah: Mr Chairman, I thank Mr Perera for his clarification. But actually, this procedure is a very long-standing procedure, not just ours, but it is a feature of the Westminster model and parliamentary democracies.

In other words, these procedures, you may call it elaborate. It is a polite way of coming to Parliament to say that you need the Government's support. Many of the things which have its roots in parliamentary procedure from the Westminster model come from these — you could say, these courtesies of the past. The New Zealanders, as I described, are a little bit more direct about it. It is just a government "veto certificate". "Nope" and that is it. But we are doing it in a polite way. We signify whether the President has given her recommendation. Whether or not the President gives her recommendation, would depend on whether or not the Government gives its support.

It does not in any way affect the standing of the President. It was a very early feature of our Constitution. And you will find it, if you check, you will find it in many different ways, shapes or forms in other Commonwealth jurisdictions.

And so, it is not so much a question of box-ticking, certainly not the case. It is very much a case of observing certain proprieties which are laid out and, in a way, that has a long-standing tradition.

The Chairman: Very quick one. Mr Saktiandi. We have to end it by 7.15 pm.

Mr Saktiandi Supaat: Thank you, Mr Chairman. I am just glad that we are discussing today about cost savings when our neighbour just released their budget and they are talking about cutting their deficits and reducing the government debt.

My question is to Senior Minister of State Chee, in response to his answer to my cards. In regard to the scrutiny of infrastructure spending, he answered that question in terms of public accounts. But, maybe, if Senior of Minister of State can share a bit more about our cost savings and our efforts from smaller projects, smaller to medium-term projects, and what additional sort of scrutiny and efforts to review those and how we can enhance on that front as well.

Mr Chee Hong Tat: Mr Chairman, Mr Saktiandi raised an important point because we do not just focus on the large ticket items. Those are very important, because, as I mentioned in my speech earlier, we managed to save \$1 billion dollars through the process together with experts from private sector and academia.

But many of the smaller projects on their own, may not yield a lot of savings. But if you add them all up and there are many of them, could make a positive impact on our overall value-for -money outcome.

So, we have been encouraging the Ministries and —

The Chairman: You can just quickly wrap up.

Mr Chee Hong Tat: — agencies to empower the officers. What we want to do is continue this process of working closely with them, letting our officers know that when you bring up such suggestions, you will be supported. We will facilitate experimentation, trying out some of these new ideas. And even if some of them were to fail along the way, because we are doing some pilots and it is not guaranteed that all of these would succeed, it is okay. It is okay to try because we are all working towards a better outcome.

The Chairman: It is okay. Thank you. Mr Liang Eng Hwa, would you like to withdraw your amendment?

7.15 pm

Mr Liang Eng Hwa: Thank you, Sir, I believe we are quite close to raiding our guillotine time.

The Chairman: Yes, we have.

Mr Liang Eng Hwa: Allow me to thank Deputy Prime Minister Wong and our best-in-class MOF team for the reassuring as well as forward-looking Budget; and also thank you to Minister Indranee and Senior Minister Chee Hong Tat for responding to our cuts. I beg leave to withdraw my amendment.

Amendment, by leave, withdrawn.

The sum of \$1,168,082,700 for Head M ordered to stand part of the Main Estimates.

The sum of \$131,628,500 for Head M ordered to stand part of the Development Estimates.

COMMITTEE OF SUPPLY – HEAD J (MINISTRY OF DEFENCE)

(A safe and secure nation in turbulent times)

The Chairman: Head J, Ministry of Defence. Mr Vikram Nair.

Mr Vikram Nair (Sembawang): Chairman, I beg to move "That the total sum to be allocated for Head J of the Estimates be reduced by \$100".

Singapore had a turbulent journey to Independence, with our pioneer generation of leaders living through both World War II, and at the cusp of independence, the Konfrontasi between Indonesia and Malaysia. We started National Service in 1967 and over the years, have slowly and steadily built the SAF into a strong and credible defence force. Singapore has lived with relative peace and prosperity ever since.

An important reason for our peaceful environment was the commitment of the major world powers to peaceful co-existence in accordance with the UN Charter for the last eight decades or so since World War II.

However, the commitment to multi-lateralism has eroded over time and one recent example would be Russia's invasion of Ukraine in February last year. While some parts of the world community were quick to condemn the aggression and breach of international law, this cry was not universal. Every time an act of aggression takes place without consequences for the aggressor, the more each country has to fear for its own safety.

There are also worrying developments closer to home. The strategic rivalry between the US and China is intensifying. Recent incidents, such as then-US Speaker Nancy Pelosi's visit to Taiwan and the more recent shooting of China's hot air balloons over the US have upped the ante, resulting in the cancellation of diplomatic meetings that could have facilitated constructive dialogue. There have also been more military exercises in the Taiwan Strait, one of the traditional flash points in the relationship.

Both countries have also doubled down on the implementation of exclusionary measures, especially in the trade and technology spheres. As the strategic competition worsens between the two major powers, Singapore may be caught in the cross-fire.

In addition, middle powers have also taken a greater interest in our region and started to develop more robust strategies to grow their presence in the Asia Pacific. While many of these are friendly nations, with the growing number of such powers seeking to establish a foothold here, the regional security environment could become increasingly contested and busier.

On the Korean peninsula, North Korea has conducted further ballistic missile tests, drawing swift condemnation from neighbours South Korea and Japan and many parts of the world community. Japan, which had remained a generally pacifist nation since World War II has started to remilitarise in response to the rising military pressures around it.

The challenges ahead for Singapore are many. Could the Minister for Defence therefore provide an update on the major global and regional trends that MINDEF and SAF are closely monitoring, and how MINDEF and SAF will be affected by these trends?

War in Ukraine

I had earlier highlighted the major geopolitical and security developments that have shaped the environment around us. I would like to now focus on the Russia-Ukraine conflict, and in particular, the implications for Singapore's security.

When the war broke out, many believed that Russia would quickly overwhelm Ukraine and take over. But instead, what has happened is that Ukraine has put up a spirited and vigorous defence, and they have gotten support, at least in terms of the equipment and finances from powers around them. With both sides unwilling to yield, the war will likely persist for some time.

Although quite far away, we should monitor events unfolding in Ukraine and Europe.

The Russia-Ukraine war has had spill-over effects, which have fundamentally changed the global order. Some of these include the hardening of military alliances such as the North Atlantic Treaty Organisation (NATO) which have now awakened and started growing again and increased defence spending amongst European countries.

Russia for its part has announced the suspension of its commitment to the New Start Treaty which the US and Russia entered into to stop nuclear proliferation amongst the two largest nuclear powers. This may restart the nuclear arms race, which has been suspended since the 1980s.

As the war continues, there may be more unintended and unexpected consequences that countries, including Singapore, have to deal with. Could the Minister for Defence therefore comment on the implications of the war in Ukraine for Singapore's security, as well as the key lessons learnt from the war for us?

Question proposed.

Defence Plans and Priorities

Mr Alex Yam (Marsiling-Yew Tee): Mr Chairman, as mentioned by the hon Mr Vikram Nair, today marks the first anniversary of the Russian invasion of Ukraine, an act that many did not believe would happen. It has tipped the world order on its head and underscored the importance of upholding international laws and frameworks and, of course, defending national sovereignty.

Even by the lower UNHCR estimates, confirmed civilian casualties number over 8,006 killed, 13,287 injured, 7.6 million refugees and, almost 8 million internally displaced in Ukraine.

This is a stark reminder for all of us in the world and especially for small states like ourselves. The global landscape is becoming more contested. It is therefore ever more critical to review our own plans and priorities in diplomacy and in defence.

Regional powers are becoming more confident and assertive. How do we navigate relations with our neighbours while being acutely aware of the great power rivalry also playing out in our backyard? Threats and asymmetrical warfare have evolved as well. Growing digital threats, terrorism.

As we continue to transform our SAF, we must be cognisant of the challenges of a shrinking population and its impact on our defence manpower, increase global spending on defence, especially in the region, and the need to maintain confidence and trust in the SAF.

Therefore, I ask the Ministry for an update on the plans and priorities that we have put in place in light of the changes in the global order.

Security and Access to Seas and Airspace

Mr Dennis Tan Lip Fong (Hougang): Mr Chairman, the recent incursion of an alleged PRC surveillance balloon into US airspace and its subsequent shoot down by the US military underscore growing friction between Washington and Beijing. This comes after the large-scale PLA military exercises bracketing Taiwan following the then US House Speaker Nancy Pelosi's visit to Taipei. These actions follow increasing PRC military activity in the East and South China Seas and near Taiwan in recent times, to which other militaries, including those of the United States, are mounting their own activities in response.

The Prime Minister, and more recently the Deputy Prime Minister and Finance Minister, have noted rising tensions between the United States and the PRC, which play out over a range of issues and wide swathes of territory. Manila recently pointed to the PLA Navy using lasers on the Philippine Navy vessel in the disputed South China Seas waters, supposedly blinding crew on the bridge temporarily.

These incidences and growing cleavages do not have anything directly to do with Singapore, at least for the moment. However, they could well affect Singapore and our interest in significant and potentially negative ways. I have little doubt that our professional foreign service officers at the Ministry of Foreign Affairs are working very hard to encourage some amicable solutions and searching for means to mitigate risks for Singapore.

Through careful diplomacy in the event tensions should further escalate, this reinforces efforts to support international law and accepted rules of the road that have facilitated Singapore's prosperity, safety and stability for so long.

Nonetheless, I am mindful of the very real possibility that diplomacy law and institutions sometimes may not be enough.

As a commerce-dependent island, Singapore needs open use of sea lanes, submarine cables and air routes that link us to partners in all of East Asia, across Southeast Asia, South Asia and points West. These could potentially be in jeopardy in the event of a major contingency involving the United States, the PRC and others that may occur around our region. Such an event could also spell political and military pressure on Singapore to provide or deny access to one party involved in a crisis or another in addition to broader disruption. This could also affect trade and communication and even the import of food and energy, not to mention safe passage for the shipping trade and maritime traffic passing through the straits of Singapore going both east and westwards, to near and far shores for which we are so heavily dependent on and possibly also civilian and commercial air traffic in the region. This may prove consequential for not just Singapore's prosperity, but possibly even stability and survival.

Such pressure and disruption may take physical even kinetic form and not just be limited to information, cyberspace and political influence.

I would like to ask for an update on the efforts of MINDEF and the SAF in building the capacity to withstand military pressure and coercion from actors with significant capabilities and safeguard Singapore's critical access to the air and sea in the event of an emergency, particularly in view of the tensions in the South China Sea and between different countries in the Asia Pacific region. What is being done to enhance such capacity in recent times, noting that much of Singapore investment in our professional military and national service has historically focused on the Army? Although I am greatly encouraged by the recent announcement of the appointment of our first Chief of Defence Force from the Republic of Singapore Navy (RSN).

Apart from capacity, I would like to ask what preparations are in place to potentially sustain operations at longer distances from our shores. This may be important if we wish to prevent and perhaps minimise any dangers to Singapore and Singaporeans in the event of some major emergency in our region. Some people may well, see such concern as unnecessarily alarmist or dismiss them as remote and unrealistic. But as a nation, we must be prepared and vigilant for issues that may be looming to avoid any unwanted surprises, especially in these uncertain times.

Global Defence Spending

Mr Don Wee (Chua Chu Kang): Chairman, since the Russian invasion of Ukraine, many countries have started to allocate a bigger share of their budgets to defence. Countries understand that they can no longer take their security for granted.

Germany intends to raise its defence spending by at least 2% of its GDP. Likewise, Japan is stepping up its defence spending and seeking to move beyond 1% of its GDP too. It goes without saying that the US and China have consistently expanded their annual budgets and will continue to do so. Many countries are likely to follow suit.

Could the Minister for Defence tell us what some of the global trends in defence spending are? Given our small size and vulnerable position, how will these spending trends affect Singapore?

Singapore's Defence Spending

Singapore has consistently and continuously invested in defence over the last five decades to ensure we have a strong military force capable of a robust defence.

There are trade-offs and opportunity costs as a result of our efforts to sustain our commitment to defence. We have persisted, despite the challenges, as we are cognisant that Singapore, as a small island-state, can neither take its own defence for granted nor count on others to defend us. Many of our pioneers were sacrificed when Singapore quickly fell to the Japanese in 1942 when Great Britain was distracted by events in Europe.

Hence, upon our Independence, our founding leaders heavily prioritised national defence as they were keenly aware that without ensuring our own security, there would be no future for Singapore.

A recent MOF report states that the Government will need to make further moves to boost revenue. These fiscal pressures will continue, given the uncertain economic conditions, our ageing population and rising costs. Maintaining armed forces is expensive. Building a strong and advanced military is even more so. Being a small country, it is more challenging for us to negotiate prices for weapons and such as we do not have the economies of scale.

7.30 pm

Given these developments, could the Minister for Defence please tell us what will our defence spending look like in the coming years? What are the projections for defence spending this year? Will spending return to the past baseline following the impact of COVID-19?

Military Expenditure

Mr Gerald Giam Yean Song (Aljunied): Sir, MINDEF's total expenditure of FY 2023 is projected to increase 5.6% for over FY 2022, on top of an 11.3% increase from FY2021 to 2022. In the revenue on expenditure estimates for FY 2023/2024, military expenditure is just a single-lined item with an amount of \$17.0 billion, without any further breakdown. MINDEF does explain that operating expenditure includes the payments for the purpose of military equipment, maintenance of equipment and camps, allowances for National Servicemen (NSmen) and salaries of regular servicemen and women.

While I understand the need for military secrecy, can MINDEF minimally provide the estimated expenditure for just these four items. This is a common practice in public budget estimates in other territories, including Taiwan, Latvia and Finland, all of whom face real and existential threats.

I am aware that the Public Accounts Committee (PAC) conducts scrutiny of the Government's expenditure and accounts, including the defence budget. However, does the PAC have access to any breakdown of military expenditure? If not, it will be difficult for the Committee to scrutinise the defence budget, given that military expenditure comprises almost 95% of the Ministry's total budget.

Sir, I am proud that I served my full-time NS and completed all my operationally-ready NS cycles. I support the need to maintain a strong and credible SAF to effectively defend Singapore. This is why I believe that more thorough scrutiny of MINDEF's budget and expenditure will help maintain public confidence that the \$17.97 billion allocated to the Ministry, the highest among all the Ministries, is going entirely towards achieving its mission.

SAF's Capability Developments

Mr Kwek Hian Chuan Henry (Kebun Baru): Chairman, for the last few years, we spoke about SAF's transformation into a next-generation defence force by 2040. To achieve this, SAF has been investing in technologies such as artificial intelligence (AI), unmanned systems, robotics and data analytics.

By 2040, SAF will acquire new capabilities and assets, where we will have, then will include Next Generation Infantry Battalions, new armoured tracked carriers and Howitzers for the Army, Multi-Role Combat Vessels, Invincible-class submarines, and unmanned vessels for the Navy, as well as F-15SG and F-35 fighter jets and Next Generation Unmanned Aerial Vehicles for the Air Force.

Beyond enhancing assets, SAF is also transforming the way it is organised. Last year, SAF set up the fourth service – the Digital and Intelligence Service (DIS) – to provide enhanced intelligence, advanced connectivity and resilience cyber defence.

SAF has also set up a new Army "Sense and Strike" headquarters to help the SAF perform better in battle with less manpower.

However, SAF must also factor in rapidly changing warfare. For example, we should consider how the recent events such as the Russia-Ukraine War has changed warfare; we should also consider how to tap on the growing trends of adopting quick, low-cost adaptation of civilian technology, like Starlink systems and drones into warfare.

In short, even as SAF has built a strong foundation, and has a good transformation plan, we must always make sure that we adapt our plans to evolving realities.

Therefore, can Minister for Defence provide an update on how SAF is enhancing our capabilities to build our Next Generation SAF?

SAF Transformation Plans

Mr Chong Kee Hiong (Bishan-Toa Payoh): Chairman, the attack on Ukraine was a wake-up call that we should never take peace and stability for granted.

While such violent conflicts may seem far from our realities here in Singapore, they serve as a stark reminder that we must be able to defend ourselves and deter threats that may come our way.

The war in Ukraine has shown that even in the age of hybrid warfare and grey zone tactics, conventional warfare remains a real possibility. Ukrainian President Volodymyr Zelensky had to appeal for tanks, fighter aircraft and long-range heavy weaponry from its allies and partners.

In addition, the digital terrain has become as real as the air, land and sea domains. The Financial Times had reported on Russia's use of malware to infiltrate Ukrainian government and financial systems to create disruption in the early days of the war and even to disrupt crucial satellite connectivity.

Singapore must be prepared for threats from all sources. The SAF must therefore maintain its ability to deter and defend against threats in both the physical and digital realms.

At last year's Committee of Supply debate, Minister for Defence Dr Ng Eng Hen talked about the SAF's transformation efforts to meet future security threats and challenges.

I am glad that we have taken incremental steps to build up and transform the SAF over the years, not just to meet current security threats, but also to anticipate potential new threats that we may face in the future. One of the biggest challenges is our low fertility rate which affects the future number of NSmen. SAF would have to adapt through technology utilisation or policy changes, leading to further transformation.

Can MINDEF provide an update on the progress of the SAF's transformation?

The Chairman: Mr Alex Yam, please take your two cuts together.

Defending against Cyber Threats

Update on Digital and Intelligence Service

Mr Alex Yam (Marsiling-Yew Tee): Thank you, Mr Chairman. We are now living in the digital age. There is no denying that we are bound together in the metaverse. This poses great opportunities for the world economy but also great challenges and even in the field of security and defence, we are seeing more and more threats emerged online. The threats of the physical world are now, therefore, manifest in the digital battlefield. We have seen it in Ukraine with large scale online campaigns against Ukrainian, assets as well as those of their allies in Europe.

In this vein, I applaud the foresight in forming the Digital and Intelligence Service, the fourth service of the SAF.

With its formal beginning just three months ago on 28 Oct 2022, but with different parts of it already functioning before that, I would like to ask the Minister how has the progress been since its formation?

What is the assessment of the Ministry of the current digital battle terrain and what threats have been prevented or disabled since the formation of the DIS? How does the DIS work in tandem with civilian agencies like CSA? And, how can the DIS bring ordinary citizens on board to play a part in improving cyber security?

While the problems are digital, the solution still lies in the real world. What is the manpower situation for the DIS? For example, how has the take-up rate been for the NS Digital Work-Learn Scheme in partnership with NTU, which is due to start in April of this year? How will MINDEF encourage more to come on board DIS?

In addition, what have been the advantages of the unified command so far and how will the DIS strengthen its work with the three other services and other security agencies to ensure that while we keep Singapore safe in the physical world, we also keep our citizens and our infrastructure safe in the digital one?

Digital and Intelligence Service

Miss Rachel Ong (West Coast): Chairman, the Russia-Ukraine conflict has revealed the might and widespread use of cyber-attacks as an extension of warfare into the digital space, affecting critical infrastructure that not only impacts military efforts but also the lives of civilians. These attacks have devastating aftermath on communities, be it in the form of mass power shutdowns in times of harsh weather conditions or in the form of propagating false information to destroy unity or morale.

Ukraine alone has suffered a threefold growth in cyber-attacks over the past year. The Cyber Peace Institute reveals that as of 17 February 2023, there have already been 627 cyber attacks on government entities and corporations in critical infrastructure sectors, excluding attacks on Ukraine and Russia.

Last October, MINDEF established the Digital and Intelligence Service (DIS) with an eye on dealing with threats to Singapore's security in the digital domain. This was a more than welcome development, to build on SAF's abilities to defend Singapore on multiple and emerging fronts.

To fulfil its mandate, the DIS will need a highly-skilled and collaborative digital workforce to continue to grow Singapore's digital defence capabilities. At the same time, there is fierce competition for such talent in the technology sector. Can the Ministry of Defence share how DIS plans to attract appropriate talent to the service as well as how recruitment for the DIS has progressed since its establishment last

year?

Emerging Military Threats

Mr Shawn Huang Wei Zhong (Jurong): The nature of warfare continues to evolve going into the 21st century. Unlike the past, battles today are no longer fought in the traditional physical domains of the sea, air, and on land, but also in cyberspace.

We will also need to contend with another dimension – the rapid pace of technological evolution and disruption, which will also shape the texture of war and future conflict, and thus have a critical impact in shaping the SAF’s military doctrines and future battlefield tactics. With the private sector leading much of the technological innovation today, key technologies with high disruptive and dual-use potential are in the fields of AI, robotics and autonomous platforms.

Could the Minister for Defence provide views on the emerging slate of military threats that MINDEF/SAF will need to guard against, and how MINDEF/SAF will stay ahead of these threats?

New Military Technologies

Mr Vikram Nair: Chairman, technology has transformed the military domain. The ongoing Russia-Ukraine conflict appears to have spurred the adoption of new technologies and we see drones being used with lethal force. This has the crucial benefit of reducing the risk of losing lives by combatants.

I have been a big supporter of new technologies, particularly unmanned battle platforms and even automated warfare.

During last year’s Committee of Supply debate, the Ministry of Defence (MINDEF) unveiled further plans to build up the Next Generation SAF. Of these new assets and capabilities, unmanned technologies were identified as a focal point.

I would therefore like to seek views from the Minister for Defence on the SAF’s adoption of emerging and cutting-edge military technologies, and whether this would help it to remain agile and capable in responding to the range of threats. How will the SAF use these new military technologies as it continues to develop?

The Chairman: Deputy Leader.

The Deputy Leader of the House (Mr Zaqy Mohamad): Sir, may I seek your consent to move that the Chairman do leave the Chair? This is to enable me to move a Motion to take the proceedings on the business of Supply today beyond 8.00 pm.

Mr Speaker: I give my consent.

Resolved, That the Chairman do leave the Chair. – [Mr Zaqy Mohamad].

Thereupon Mr Speaker left the Chair of the Committee and took the Chair of the House.

EXEMPTED BUSINESS

(Committee of Supply)

7.44 pm

Mr Speaker: Deputy Leader.

The Deputy Leader of the House (Mr Zaqy Mohamad): Mr Speaker, may I seek your consent and the general assent of Members present to move a motion to take this day’s proceedings on the Estimates for the Financial Year 2023/2024 beyond 8.00 pm?

Mr Speaker: I give my consent. Does the Deputy Leader of the House have the general assent of 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 business of Supply be proceeded with beyond 8.00 pm at this day's Sitting." – [Mr Zaqy Mohamad]

COMMITTEE OF SUPPLY – HEAD J (MINISTRY OF DEFENCE)

(A safe and secure nation in turbulent times)

Debate resumed.

The Chairman: Minister for Defence.

7.45 pm

The Minister for Defence (Dr Ng Eng Hen): Much obliged, Mr Speaker. Colleagues, Mr Speaker, this Committee of Supply (COS), we sit together with the rest of the world coming out of the COVID-19 pandemic.

We have learned to live with the disease and are returning to normalcy. But it is also clear to all of us that the world has changed, and some things will never revert to the status quo ante. Among them, hybrid work patterns, greater digitalisation, increased vulnerability of supply chains, rising protectionism.

Many of you have spoken about the Russian invasion of Ukraine, and in parallel, that and rising US-China tensions, which many of you touched upon, are seminal forces that will impede, if not unravel, globalisation.

For Singapore, whose external trade is three and a half times our GDP, the proverbial “shop in the MRT station”, the “canary in the mine of globalisation”, so dependent on free flow of goods and services, capital and people, these changes are bound to affect us, and our country will feel the effects strongly.

There is also the potential of physical disruption to key sea lines of communication. Mr Vikram Nair spoke on this. Mr Dennis Tan alluded to it. The South China Sea and the Straits of Malacca and Singapore are indeed vital waterways. A third of global shipping goes through the South China Sea and the Straits of Malacca and Singapore and carries 80% of the oil transported to Northeast Asia.

Coupled with these external forces, internally, many countries see their citizens pushing against globalisation and immigrants. The rise in extreme right parties is a vivid sign of this inward-looking mood.

In sum, the post-World War II constructs of increasing free trade and open borders are under severe stress. President of the World Economic Forum Børge Brende recently described our world as one which is gradually sliding from a period of cooperation to a period of intensifying global competition.

China’s ascension into the World Trade Organization (WTO), if we cast our minds back, was in 2001, so some 22 years ago, where US President Bill Clinton at that time spent political capital to get his Congress to support it. Why did the US do it? They wanted to speed up China’s transition to a market-based economy for it to be more globally integrated. As the thinking went, if China was more like the rest of the world, trading with it and co-dependent, then surely Communism as a form of government would be weakened.

More than 20 years later, I suspect that some within the US and their Western allies, in retrospect, might think that was a mistake. Because China has indeed risen economically and is now one of the largest trading nations. So, for the very reasons you push for China to be included in the WTO, it has succeeded. But just recently, Czech President-elect Petr Pavel asserted that China was “not compatible with Western democracies in their strategic goals and principles”.

Think about this. The world’s second-largest global trading partner is not compatible with you. So, it is not what you do; it is what you are.

These forces run deep and will alter the very foundational pillars of countries and their relationships with others. It is inevitable, even for large and middle powers, let alone tiny Singapore. And many of you asked what these structural forces, what these tectonic plates will do to us. Mr Alex Yam, Mr Don Wee, Mr Dennis Tan, Mr Vikram Nair.

Let us first look at Europe. For Germany, that long believed and worked for the integration of Europe and Russia, those hopes have all but evaporated. Germany downsized its Bundeswehr, its military, in the 1990s to reap the so-called “peace dividends” after the Berlin Wall fell. Today, it has to reverse that policy. Chancellor Olaf Scholz’s Zeitenwende speech in 2022 marked, as the word means, the end of an era and a turning point.

European Union (EU) countries have now pledged to spend more on defence in the face of Russia’s war on Ukraine. Some, like Latvia, are also reintroducing conscription while others like Germany, Sweden, Poland and France continue to mull over the reinstatement of some form of national service.

Closer to home, Asian countries too are upsizing their militaries, especially in Northeast Asia. With your permission, Mr Chairman, I have asked the Clerks to distribute charts on military spending as many Members asked about it. [*Please refer to [Annex 7](#).*]

The Chairman: Please do. [*Handouts were distributed to hon Members.*]

Dr Ng Eng Hen: Members can refer to them and also access the handouts through your MP@SGParl mobile app.

China is estimated to spend in excess of US\$270 billion and announced a 7.1% increase last year. Japan has announced plans to double its defence spending to 2% of GDP by 2027 and to develop counter-strike capabilities. For the past decade, Japan’s military spending, albeit as a self-defence force, has been on the same level as France and Germany’s, around US\$50 billion every year. Two percent of Japan’s GDP would be around US\$85 billion today. That is more than what India spends.

South Korea wants to increase defence spending by an annual average of 6.8% over the next five years, with a focus on securing capabilities to counter North Korea. If that happens, South Korea will spend as much as Japan today. Similarly, Australia will reach these levels of defence spending by 2030.

I put in comparison ASEAN’s military spending. ASEAN is not a military pact, but in comparison, spends in aggregate about what one of the ASEAN+8 countries spends – South Korea. Taken together, and if these facts bring to your minds that Asia is spending a lot militarily, you are quite right. Taken together, Asia’s military spending on the whole had already surpassed Europe in 2009.

The gap has since widened even further. Between 1999 and 2021, the defence spending by EU increased only by 20%, compared to the US that went up by 70%, Russia by 300% and China by 600%. EU countries will now be spending more because of the Ukraine invasion, but Asia's military spending will be still larger for some time to come. The charts show the trends clearly.

All of us of course are asking, as some of your questions alluded to – what will all this lead to? I doubt anyone can really be sure. But without a robust framework to maintain peace, this upsizing of Asian militaries can spell trouble ahead.

Some of you know that there is a metaphorical Doomsday Clock that has been ticking away. Well, this Doomsday Clock has moved 90 seconds closer to midnight this year, the closest to global catastrophe since 1947, post-World War II. It is no wonder that some of us sleep less soundly at night.

Here, it would be remiss of me as Minister for Defence if I did not thank Members of this House for their constant and strong support through the years for my Ministry's budget. The record shows that Members of Parliament of all political parties and Nominated Members of Parliament in successive Parliaments have shown this collective support. None of them were beguiled or rendered complacent by peace to push for less defence spending. Yes, questions were asked about how MINDEF and the Singapore Armed Forces (SAF) put our defence dollars to use and if it was effective, accountability, so on and so forth. Questions that needed to be asked and were asked by Members here. But not reduced spending.

Outside this Parliament, some political personalities did push for reduction, saying our defence spending is "excessive", or that external threats for us "don't exist". I wish that was true. To them, I say, do not sacrifice a strong defence for Singapore at the altar of political expediency. It may win some support, but it risks losing Singapore in that self-interest. As Mr Lee Kuan Yew reminded us even in his later years, "Without a strong SAF, there is no economic future, there is no security". That is a hard truth that remains constant.

We must never forget that defence is a long-term business. For the SAF, major systems and platforms take 10 to 15 years to conceptualise, build and integrate into our fighting force. That is assuming everything runs smoothly, without chop and change. If a military loses a capability and wants to build it back, it may take twice as long.

We need to remind ourselves constantly that investing steadily in defence is the more prudent and cost-effective strategy, especially during good times and peace. Because it is not just the dollars spent, but the know-how, the human capital, the culture and most important of all, the psychology and mental build-up of commanders and soldiers, crucial for the SAF, which is made up of NSmen in the majority.

Some of you have asked what have we learned from the war in Ukraine? We have learnt many lessons. We are watching it very, very closely. Because it is the only war in which modern state-on-state warfare has been fought in recent years. Mr Vikram Nair asked about this. There are indeed military lessons to be learnt. But more important than military lessons, examples of how people, ordinary citizens make the crucial difference, not only in civilian affairs but military too.

Ukrainian civilians have played significant roles in the conflict from the very beginning. Let me just share some examples briefly. Workers cut up old train tracks and welded them together to create obstacles. These were known as "steel hedgehogs" – nobody taught them how to do it – and they put them up to block Russian military trucks. Volunteers produced, repurposed and operated drones for the Ukrainian Armed Forces. And in particular, when Ukraine's imports were disrupted and prices of lithium batteries went up and soldiers needed to communicate, volunteers started donation drives to collect and recycle batteries to power drone operations.

More recently, we saw footage of improvised grenades reportedly made by the Ukrainian Army in partnership with civilian engineers.

Basically, it shows a fragmentation grenade fitted with a shuttlecock that is attached for stabilisation. The grenades could then be lifted by commercial drones and dropped onto targets from above. A cheap and creative solution, perfect for recycling used shuttlecocks.

Ukraine's Armed Forces relied heavily on civilians to gather military intelligence through crowdsourcing. When the invasion began, the government added new features to the Diia app, it is the equivalent of our Singpass. And through a chatbot, citizens could help the military locate Russian troops and vehicles by providing photos and videos together with live locations. As footage flooded in, there were multiple reports of Ukrainian troops successfully destroying Russian convoys, thanks to the tip-offs from the public. There was another crowdsourcing app followed, it is called ePPO, and this was for citizens to report sightings of cruise missiles and kamikaze drones. That is how sophisticated their system had become.

Passion, grit, bravery, innovation, even pure genius in the face of overwhelming adversity. Ukrainians had no electricity or running water, endured freezing temperatures, constantly under the threat of incoming missiles, but the resolve of the Ukrainian people to protect their country, to defend their freedom shone through, through all the misery that war brings.

If the war has taught us anything, it must be that weaponry and fighting platforms are important, but ultimately, it is the fighting spirit of the people that will decide if they end up subjugated or sovereign. We Singaporeans must build and have that same spirit and resolve. Our lives and our country will depend on it.

Let me now turn to the actual figures for MINDEF's Budget. I think Don Wee asked specifically. In the coming financial year, my Ministry projects an expenditure of just under \$18 billion. This translates to an increase of 5.6% from FY2022 due to mainly three reasons.

8.00 pm

First, inflation. MAS has estimated that core inflation should come in at 3.5% to 4.5% in 2023.

Second, we are catching up of projects deferred or disrupted – for example, SAFTI City, NS Square, the delivery of our submarines.

Third, we are spending more on digital and other non-kinetic capabilities. I will elaborate on them in the response to your questions on the Digital and Intelligence Service (DIS).

I had informed Members previously that MINDEF will strive to keep the growth of our Defence Budget to be in line with inflation and we have achieved this target for the past decade at about 4.3% each year. We expect this to continue for the next decade too, to stabilise at a 3% to 4% year-on-year growth.

By design, as Members have noted, MINDEF does not give detailed information in the Budget Book. Members know the reason. It is not in our security interest to do so, just as we do not give the detailed cost figures for acquisition of planes, submarines and Army platforms because they provide an indication of our capabilities.

Similarly, we do not want to provide an aggregated amount for the acquisitions – because you can guess – if your capability development is this budget and it is collected over years, what are you spending it for?

But the key question, I think, that the Member Gerald Giam is asking is how then do you assure prudence and accountability of your spending?

Like all public agencies, we are held to account for the management of funds. We are subject to independent audits by the Auditor-General's Office (AGO), where deep dives are taken into processes. In other words, you do not get to see the aggregated picture but you can see any of the individual processes.

For example, AGO had discovered payment errors of flexible benefit allowances in FY2021 and these were promptly recovered. MINDEF does not have any say to what the AGO wants to look at. If it wants to look at platforms, we have to show the detailed processes.

As Mr Giam said, the Public Accounts Committee can also request for additional information after examining AGO's audits, as it did in this case.

We have strong internal controls to ensure that expenditure is within stipulated ranges of reference costs. In other words, when we pay for something, we take reference from other known quoted figures.

Our procurement processes adhere to rigorous standards. When there are large-scale projects, we have senior management committees to ensure oversight and compliance.

But I take the point – there is a necessary trade-off between accountability and full transparency. There has to be. But I think overall, Singaporeans – with an NS Army – can see what our dollars go into and, as I said, the detailed processes are subject to audit.

Overall, MINDEF's spending has stabilised at between 3% and 4% of our GDP. Barring increasing tensions or persistently high inflation where military spending may have to go up, MINDEF expects this to be the steady state spending.

I will repeat that because my officials are very nervous about this. We have stabilised between 3% and 4% of the GDP. That is saying a lot. And barring increasing tensions or persistent high inflation, we expect this to be steady state spending.

In fact, this means that over the past few decades, because we have matured, as a percentage of GDP, we have been spending less.

What has we achieved? The final accountability – what have we done with all these defence dollars? I think Mr Henry Kwek and Mr Chong Kee Hiong asked about this.

With your permission, Mr Chairman, I have asked the Clerks to distribute a handout on SAF's transformation, which Members may refer to.

The Chairman: Yes, please. [Please refer to [Annex 8](#).]

Dr Ng Eng Hen: We can have a quiet satisfaction that the SAF today is recognised as one of the most advanced in Asia.

I think Mr Dennis Tan asked – what are you preparing to make sure that your sea lines of communication, your airways, towards 2040, how are you preparing?

Some perspective: the SAF is not large relatively. There was a reason I gave that the military spending for all the countries around us. But for our size – all our Services, we are the most advanced in Asia. We operate modern state-of-the-art platforms. Together, these Services can prosecute campaigns across a spectrum of security challenges. This modernisation is saying a lot. It has taken two decades but has been completed successfully. Very few militaries have achieved that.

As a result, the Army now uses digitalised fighting and support platforms – the Hunter Armoured Fighting Vehicles, HIMARS and Leopard Tanks. The Air Force's Smart Multi-Role Tanker Transport aircraft and Aster-30 Missile Systems are new additions, together with the F-15s. The Navy has brought on a full fleet of Frigates and new Littoral Mission Vessels. In the next decade, more platforms and capabilities will be added.

I previously informed this House in 2019 that our Air Force would purchase four F-35 Joint Strike Fighters because we wanted to evaluate it. It allowed us access to information and facilities for a full evaluation. Our pilots have flown in F-35 mission simulators. The F-35 is a single-pilot cockpit. So, you cannot share with anyone. They have flown in simulators and learnt from operational F-35 pilots. They have evaluated the electronic systems on board and made trips to F-35 bases to study how other users maintain their fleets.

We have also flown with other F-35 operators, in particular, very recently, in Exercise Pitch Black in Darwin, Australia.

All of these have given us valuable insights. MINDEF and the SAF have concluded that the F-35 is the best choice to meet our defence needs now and in the future.

MINDEF will therefore proceed to exercise the option to acquire a second tranche of F-35Bs – eight of them – and they will be added to our fleet by the end of the decade. This acquisition will support the progressive drawdown of our ageing F-16s, which will retire from mid-2030s, which means that at steady state, our RSAF will operate F-35 and F-15 fighter planes – the most advanced in the region.

For the Navy, we have launched our second and third Invincible-class submarines a few months ago in Kiel, Germany. Later this year, you can expect the first submarine to return home base. You will only have a fleeting glance. It is, most of the time, underwater, unless you are at Changi Naval Base, where you can see some of it. By the end of this decade, all four submarines will be operational around Singapore waters.

These custom-fitted submarines will be stealthier, more agile and will remain submerged for a longer period. This significantly enhances naval capabilities to protect our interests at sea. And people notice. At the recent Munich Security Conference, they said, "You have got new Type-218SG submarines." I said, "Yes" – quietly.

For the Army, the next-generation Howitzer and Armoured Tracked Carrier will be introduced as well as more unmanned aerial and ground vehicles in our combat units.

Some of you ask about future threats – Mr Alex Yam, Mr Henry Kwek. Indeed, this was the reason we started the DIS. It has allowed us to consolidate military intelligence and digital and cyber capabilities.

Most of you ask for updates, including most Members of Parliament. I have talked about an SAF digital range. It has made good progress. It will contain virtual replicas of networks and systems that we have nationally so that we can simulate a wider range of cyber-attacks.

It will be completed in 2026. It will be used to train our DIS forces and conduct exercises with other military and commercial partners and we will organise joint training with other national agencies – I think Mr Alex Yam talked about that – to defend our critical infrastructure.

Some of you ask what our cyber agency DIS' mission is. Digital threats in the cyber arena are pervasive daily – literally tens, if not hundreds of thousands. What our cyber agencies are more concerned with are external and orchestrated attacks by non-state and state actors, for example, terrorist organisations.

The DIS has picked up some entities and is monitoring them for their activities. That is as much as I can say.

The DIS will also set up the Digital Ops-Tech Centre, run by software engineers and data scientists, to provide in-house software development. This Centre will be operational in 2024. I am giving you discrete dates and these are our targets.

Recruitment – some of you have asked this – including Miss Rachel Ong. In 2018, we launched a Cyber Work-learn programme and last year, a new Digital Work-Learn Scheme. Since the launch of both schemes, more than 350 NSFs have signed on. We also saw a 40% increase in applications. A significant number of applications are for non-uniformed roles. So, I think it is doing quite well.

This transformed quadri-Service SAF will provide Singapore with a strong core against foreseeable threats. But even so, I agree with many Members here that we must prepare for new disruptive technologies as well as scenarios that we have not seen.

The future is still evolving but the overall shape is discernible. In the not so distant future like many Members talked about, militaries will use a new generation of hypersonic missiles, lethal autonomous platforms and directed energy weapons. These are just a few examples.

Unmanned platforms are now commonly used in both civilian and military settings. What will be a game-changer is when these unmanned platforms from air, land and sea are scaled to large numbers and weaponised.

We have already seen it in the Ukraine war. How do you respond to those?

A few years back, drone strikes from Azerbaijan took out Armenian air defences, artillery and armoured vehicles from above. Recently, in Sevastopol, Ukraine launched a coordinated drone attack against the Russian Navy – nine from the air, seven from the sea. These drones were able to break through multi-layered defences around the port and damaged at least two Russian ships.

These concrete examples that Members of Parliament have shared are rewriting the doctrine and practice of modern warfare as we speak. So, how does MINDEF and SAF deal with this, I was asked.

Well, we set up organically and organisationally the Future Systems and Technology Directorate (FSTD). It is literally called that – the Future Systems and Technology Directorate. In it are SAF planners, DSTA engineers and DSO scientists. Their job is to ignore vested interests in the present SAF but instead to be insurgents, to render obsolete if they can current platforms, forces and even organisations by

producing improved ways for Singapore to defend itself in the future.

They do not have that many friends because they are trying to steal somebody's lunch literally. And if they can show they can do that, then they have succeeded. Our future literally depends on them performing their tasks well.

As an example, FSTD spearheaded the research and investments in unmanned platforms and this was a decade ago – even before what we talked about today. Today, autonomous technologies will be built into the Navy's new Multi-Role Combat Vessels to function as a "mothership", with unmanned platforms that can work together across a range of missions. This was a decade ago because that is how long it takes to conceptualise and build.

So, while older RSN ships typically operate one unmanned system, these vessels are able to operate multiple systems simultaneously. The Navy will shift towards a future force structure where about half of its vessels will be unmanned. Fifty percent of our future Navy will be unmanned.

There is one more last vital ingredient for the SAF – our people. We can have the best platforms and systems in the world, but as the Ukrainian spirit showed, it is the spirit and the know-how that will determine if the SAF can defend Singapore and its interests successfully.

There is an infographic on how we are training. *[Please refer to [Annex 9](#).]*

In order to have well-trained soldiers, we have to invest and we have invested heavily in our training infrastructure. SAFTI City – we have announced it in 2017 – is making good progress. The completed training circuits will include battlefield effects simulators that can replicate smoke and blast effects and interactive targets that can fire back – a far cry from our days when it is "bang, bang, bang, bang, I shoot you, you shoot me". Who confirms? We just assume that both did not get shot or both got shot. This one, cannot "play play", no bluffing, because you wear electronic sensors. If you are dead, you are dead. If your platform is hit, that is it.

Phase 1 will be completed next year and will consist of over 60 new buildings – a mix of high-rise interconnected buildings, low-rise residences, a bus interchange and even an underground MRT station. Buildings and roads can be configured so that the soldiers can encounter a different layout each time they train at SAFTI City, so that they can train in a complex urban environment.

Surrounding SAFTI City, we will build three new Instrumented Battle Circuits (iBACs). The first – Murai Urban Battle Circuit – will be ready by this year, and the other two will be ready by early 2024. These circuits will simulate energy fires such as artillery bombardment and air strikes, and they will help our soldiers hone their operational instincts and tactical fundamentals.

8.15 pm

When these iBACs start, up to 22,000 active and NS soldiers will use them every year. Realistic, efficient training.

This will excite you. The new training facilities will have sensors and video cameras to capture data and provide instant replays. So, you say you shot him, he says he shot you. Video replay. Like football matches. Let us see what happened. Professional sports teams know the value of this. Soldiers and units will receive real-time feedback on their performance and this will help them stay alive, or remain alive.

We have also invested large sums into overseas training facilities. I visited our soldiers in Australia last year in the Shoalwater Bay, and some of the facilities like the Urban Operations Live Firing Facility and the Combined Arms Air-Land Range will be ready for use from next year. This will allow our NSmen and NSFs to participate in Brigade, even Division-level exercises.

We have also increased the use of advanced training simulators, up to 20% additional live training will be replaced by them. You can combine simulators now for different platforms.

But even with all this, we will have to conduct some training locally. Because if COVID-19 taught us something, it is that our overseas training facilities can be terminated instantly and we do not want to be dependent. I know that Members of Parliament, especially living in the housing estates do get feedback and complaints from residents about noise. And we try to mitigate the impact of this noise. The Air Force reduces flying tempo during critical exam periods, but there is a limit to that. Help explain to your residents that just like NS, this local SAF training is the price we pay to ensure a credible force to protect our freedom and independence.

I visited Luke Air Force Base, where our F-16 squadrons were training. We do to those communities as we do here, we have open house, we treat them to makan, and I was talking to the mayor. I said to the mayor, "Please tell your residents that we appreciate them tolerating all that noise." It is not as if Luke Air Force Base does not have housing estates. They have, just like us. And we fly together with the US planes. And he says, "Don't worry, I tell them this is the sound of freedom." The mayor in Arizona, in Luke Air Force Base, telling his residents, that this is the sound of freedom. But whose freedom? Not US freedom, but Singapore's freedom. They are willing to invest in our freedom. So, explain to your residents. Yes, we will do as much as we can overseas, but there is a limit and we must never be so dependent on others that if we have another pandemic, we find that we cannot train and we are operationally less ready.

Mr Chairman, the defence of Singapore is a long-term commitment. The success of it is not for the faint-hearted and can only be achieved if we as one people have that staying power, never flagging in spirit or effort; never lulled or deceived that Singapore does not need a strong SAF because the world is safe or that others will protect us.

We have come far as a multiracial and multi-religious nation to build an SAF that will fight with one heart and aim – to protect our Singapore. We will go even further as long as we commit each year to stay the course.

I want to thank Mr Chairman and Members for this indulgence for staying on a Friday night. Thank you very much. *[Applause.]*

The Chairman: Deputy Leader.

COMMITTEE OF SUPPLY REPORTING PROGRESS

8.19 pm

The Deputy Leader of the House (Mr Zaqy Mohamad): Mr Chairman, may I seek your consent to move that progress be reported now and leave be asked to sit again on Monday, 27 February 2023?

The Chairman: I give my consent.

Resolved, "That progress be reported now and leave be asked to sit again on Monday, 27 February 2023." [Mr Zaqy Mohamad].

Thereupon Mr Speaker left the Chair of the Committee and took the Chair of the House.

Mr Speaker: Deputy Leader.

Mr Zaqy Mohamad: Mr Deputy Speaker, I beg to report that the Committee of Supply has made progress on the Estimates of Expenditure for the financial year 2023/2024 and ask leave to sit again on Monday, 27 February 2023.

Mr Speaker: So be it. Deputy Leader.

ADJOURNMENT

Resolved, "That Parliament do now adjourn to Monday, 27 February 2023." – [Mr Zaqy Mohamad].

Adjourned accordingly at 8.20 pm.

WRITTEN ANSWERS TO QUESTIONS

SINGAPORE'S POSITION ON PAPUA NEW GUINEA'S ACCESSION TO ASEAN

1 **Mr Leon Perera** asked the Minister for Foreign Affairs (a) what is Singapore's position on Papua New Guinea's possible accession to ASEAN; and (b) what are Singapore's bilateral activities with Papua New Guinea.

Dr Vivian Balakrishnan: Papua New Guinea was accorded the status of Special Observer in ASEAN in 1976 and has participated in ASEAN meetings in this capacity. ASEAN is presently not considering any new membership applications.

Singapore and Papua New Guinea enjoy warm relations and close cooperation. As fellow Small Island Developing States, we share similar views on issues like climate change. Both countries recently signed a Memorandum of Understanding on carbon credit collaboration in November 2022 on the sidelines of the 27th Conference of the Parties of the United Nations Framework Convention on Climate Change in Egypt. Singapore remains committed to supporting Papua New Guinea's development journey, including by sharing our experiences through the Singapore Cooperation Programme (SCP). Papua New Guinea sends the second largest number of participants to our SCP courses amongst the Pacific Island States, with close to 800 officials having participated to date.

Singapore also engages Papua New Guinea in multilateral forums, such as the UN, APEC and the Pacific Islands Forum, which Singapore has recently been admitted as a Dialogue Partner.

INDIVIDUALS CURRENTLY MONITORED UNDER FOREIGN INTERFERENCE (COUNTERMEASURES) ACT 2021

2 **Mr Leong Mun Wai** asked the Minister for Home Affairs (a) whether any individuals are currently being monitored under the Foreign Interference (Countermeasures) Act 2021 (FICA) for offences, such as attempting to influence domestic political discourse; and (b) whether any investigations or Police reports have been made in relation to FICA and, if so, how many.

Mr K Shanmugam: The Police do not – unless it is in the public interest to do so – generally make public information on whether individuals are being monitored for offences. The Government takes the same approach in respect of investigations or Police reports made under the Foreign Interference (Countermeasures) Act 2021 (FICA).

NON-CITIZENS MARRIED TO SINGAPORE CITIZENS AND SUBSEQUENTLY TOOK UP CITIZENSHIP

3 **Mr Leong Mun Wai** asked the Minister for Home Affairs for each year since 2000 (a) what is the number of non-citizen brides and grooms respectively by country of origin who (i) married Singapore Citizens that year and (ii) subsequently took up Singapore citizenship; and (b) what is the median number of years after marriage before a non-citizen spouse is granted Singapore citizenship, with a breakdown by country of origin.

Mr K Shanmugam: The number of foreign spouses who took up Singapore citizenship from 2000 to 2022 averages at around 2,700 per year.

The overall number of naturalised Singapore Citizens (SCs) is published annually. Thus, Singaporeans can see for themselves how many persons become SCs every year. The matter is also debated publicly.

The number and regions of origin of foreign brides and grooms of SCs are also public and can be found on the Department of Statistics' website.

We do not make public further breakdowns by specific countries. This is primarily because it could cause bilateral sensitivities with countries. That is not in our national interests.

As regards foreign spouses, we require such foreign spouses to have been a Permanent Resident (PR) before he or she can apply for SC. When a couple decides to apply for PR or SC for the foreign spouse depends on their personal and family circumstances. For example, some couples might live overseas for many years before relocating to Singapore. In assessing their application for PR or SC, the Immigration and Checkpoints Authority (ICA) will consider several factors, including the length of marriage, length of residency in Singapore and other indicators of rootedness and ability to contribute to Singapore. Therefore, the length of time between marriage and when the foreign spouse obtains SC can vary greatly.

PROTOCOL OF POLICE IN HANDLING REPORTS OF FRAUDULENT DEBIT CARD TRANSACTIONS AND BANK ACCOUNT WITHDRAWALS

4 **Mr Leong Mun Wai** asked the Minister for Home Affairs what are the standard operating procedures of the Singapore Police Force when dealing with reports of fraudulent debit card transactions and bank account withdrawals.

Mr K Shanmugam: Generally, upon receiving reports of fraudulent credit or debit card transactions and bank account withdrawals, the Police will commence investigations, including recording statements and gathering evidence. They will also ask the bank to deactivate the credit or debit card, or freeze the bank account, if the bank has not already done so. The specific steps taken by Police would depend on the facts and circumstances of each case.

As part of the Inter-Ministry Committee on Scams, we have worked with the Monetary Authority of Singapore and the Standing Committee on Fraud of the Association of Banks in Singapore to implement measures to detect fraudulent transactions and safeguard banking channels. These include requiring additional customer confirmation to process significant changes to customers' accounts, notifying customers at the original registered mobile number or email address when there are changes to contact details, and putting in place an emergency kill switch for customers to swiftly freeze their bank accounts which they suspect may have been compromised.

DATA ON WORK PERMIT HOLDERS CHARGED WITH CRIMES AND APPLYING FOR CRIMINAL LEGAL AID

5 **Mr Louis Ng Kok Kwang** asked the Minister for Law in each year for the past five years (a) how many Work Permit holders have been charged with crimes; (b) how many have applied for the Criminal Legal Aid Scheme (CLAS); (c) how many have been offered aid under CLAS; and (d) what are the top three reasons that CLAS applications by Work Permit holders have been unsuccessful.

Mr K Shanmugam: The number of Work Permit holders (WPHs) charged with crimes for the past five years can be found in Table 1. These figures cover offences charged by the Singapore Police Force (SPF) and the Immigration and Checkpoints Authority (ICA) which are under various legislation, such as the Penal Code, National Registration Act, Passport Act and Immigration Act.

Table 1: Number of WPHs Charged for Offences by SPF and ICA

	2018	2019	2020	2021	2022
Number of WPHs Charged	975	970	743	771	759

The Member's questions on the Criminal Legal Aid Scheme (CLAS) should be properly directed to Pro Bono SG (PBSG), which administers CLAS. PBSG is a company limited by guarantee, with the Law Society as their sole member. The Government funds 75% of CLAS' general operating costs, which goes towards staff salaries and overheads. The rest of the costs incurred, including to defend foreigners who need criminal legal aid, are supported by private donations. Foreigners who seek legal aid under CLAS must pass their means¹ and merits tests.

CLAS does not track foreigner applications by the type of permit held. Based on what PBSG has told us, the number of foreigners who have applied to and been offered aid under CLAS, for the past five years, can be found in Table 2.

Table 2: Number of Applications and Aided Foreigners

	2018	2019	2020	2021	2022
Number of applications by foreigners	371	307	243	173	163
Number of foreigners granted legal aid	189	126	122	79	55

According to PBSG, the top three reasons for CLAS applications by foreigners being unsuccessful are: (a) the applicant failed the means test criteria; (b) the offence was not covered under CLAS; and (c) CLAS was unable to contact the applicant/the applicant's family members to complete means/merits testing.

Foreign applicants who do not qualify for legal aid may also seek help from the Community Justice Centre and other legal clinics run by various community, religious and voluntary welfare organisations.

Note(s) to Question No(s) 5:

¹ The applicant's disposable income and disposable capital should each not exceed \$10,000 over the last 12 months.

BREAKDOWN OF GRADES OF OFFICERS WHO RETIRED FROM EDUCATION SERVICE

6 **Mr Louis Ng Kok Kwang** asked the Minister for Education among the officers who have retired from the Education Service, what is the number of E, D, C-, C, C+, B and A grades last received by these officers in each of the last five years, respectively.

Mr Chan Chun Sing: This question has been addressed in my reply to Question 19 as published in the Circular for Written Answers on 6 February 2023. [*Please refer to "Breakdown of Grades Received by Officers who Left Education Service in Last Five Years", Official Report, 6 February 2023, Vol 95, Issue 81, Written Answers to Questions section.*]

UPDATE ON WORKGROUP FORMED TO REVIEW MAINTENANCE OF PARENTS ACT 1995

7 **Mr Leong Mun Wai** asked the Minister for Social and Family Development whether he can provide an update on the work of the workgroup formed last year to review the Maintenance of Parents Act 1995 and when the workgroup may be expected to complete its work.

Mr Masagos Zulkifli B M M: The Workgroup for the Review of the Maintenance of Parents Act, led by Member of Parliament Seah Kian Peng with eight other Members of Parliament as members, was formed in October 2021. Mr Seah Kian Peng has indicated that, having completed its second round of public consultations in December 2022, the Workgroup is working towards introducing the amendment Bill this year.

UPLOADING OF TRACETOGETHER DEVICE DATA ONTO MINISTRY'S SERVER

8 **Mr Leong Mun Wai** asked the Minister for Health when was the last time where TraceTogether bluetooth data stored on a TraceTogether device was uploaded onto the Ministry's server.

Mr Ong Ye Kung: The Ministry of Health stopped all uploads of TraceTogether Bluetooth data on 26 April 2022.

TRACKING OF CHILDREN CONTRACTING HAND, FOOT AND MOUTH DISEASE

9 **Mr Louis Ng Kok Kwang** asked the Minister for Health whether the Ministry will reconsider its policy of not tracking the number or percentage of children who have contracted Hand, Foot and Mouth Disease and the number of times they have contracted the disease.

Mr Ong Ye Kung: Hand, Foot and Mouth Disease (HFMD) is not notifiable to the Ministry of Health as it is a common childhood illness that is usually mild and self-limiting. Hence, the numbers are not tracked. Nevertheless, we have a sentinel surveillance programme for HFMD involving selected hospitals, polyclinics and general practitioner clinics, to monitor trends in polyclinic attendances, severe cases requiring admission and the types of circulating pathogens.

DATA ON SUBSIDISED AND UNSUBSIDISED IN-VITRO FERTILISATION TREATMENTS

10 **Mr Louis Ng Kok Kwang** asked the Minister for Health for each year in the last five years (a) what are the number and percentage of those who have used all the co-funded in-vitro fertilisation (IVF) cycles but still do not have a successful pregnancy; and (b) whether the Ministry keeps track of the number and percentage of people who continue their IVF treatments unsubsidised in either public or private hospitals and, if so, what are these figures.

Mr Ong Ye Kung: Based on data from 2017 to 2021, approximately 1% – or 200 out of 19,000 – of women who had attempted Assisted Reproduction (AR) treatment had fully utilised all six co-funded ART cycles and did not achieve a successful live birth.

Amongst those who have fully utilised all six co-funding cycles without a successful live birth, approximately 50% of them, or 100 women, have continued to seek ART treatments, that is, started a seventh cycle, without any co-funding in either public or private AR centres.

DATA ON WORK PERMIT HOLDERS WHO ARE PAID ELECTRONICALLY AND NOT LIVING IN DORMITORIES

11 **Mr Louis Ng Kok Kwang** asked the Minister for Manpower (a) what are the current number and percentage of Work Permit holders not living in dormitories who are paid salaries electronically; and (b) whether the Ministry can provide an update on its consultations with tripartite partners on extending the requirements of electronic payment of salaries to Work Permit holders who are not living in dormitories.

Dr Tan See Leng: We do not have data on the number of Work Permit holders not living in dormitories who are paid salaries electronically.

The Ministry of Manpower has given priority to implement electronic payment of salaries to Work Permit holders living in dormitories. This involves verification that employers have been complying and following up with non-compliant employers. We will continue our discussions with the tripartite partners about extending the requirements for electronic payment of salaries to more workers in the future.

ANNEXES

- Annex 2()**
- Annex 3()**
- Annex 4()**
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