Parliament No:	14
Session No:	1
Volume No:	95
Sitting No:	83
Sitting Date:	14-02-2023

PARLIAMENTARY DEBATES

SINGAPORE

OFFICIAL REPORT

FOURTEENTH PARLIAMENT

VOLUME 95 *FIRST SESSION* NO 83

Tuesday, 14 February 2023

The House met at 1:30 pm

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 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).

Mr Murali Pillai (Bukit Batok).

Ms Nadia Ahmad Samdin (Ang Mo Kio).

Mr Louis Ng Kok Kwang (Nee Soon).

Ms Ng Ling Ling (Ang Mo Kio).

Miss Rachel Ong (West Coast).

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

Ms Joan Pereira (Tanjong Pagar).

Mr Leon Perera (Aljunied).

Ms Denise Phua Lay Peng (Jalan Besar).

Ms Hazel Poa (Non-Constituency Member).

Ms Poh Li San (Sembawang).

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

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

Mr Saktiandi Supaat (Bishan-Toa Payoh).

Mr Seah Kian Peng (Marine Parade).

Dr Shahira Abdullah (Nominated Member).

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

Mr Sharael Taha (Pasir Ris-Punggol).

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

Mr Sitoh Yih Pin (Potong Pasir).

Ms Hany Soh (Marsiling-Yew Tee).

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

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

Ms Carrie Tan (Nee Soon).

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

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

Mr Dennis Tan Lip Fong (Hougang).

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

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

Dr Tan Wu Meng (Jurong).

Mr Patrick Tay Teck Guan (Pioneer).

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

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

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

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

Dr Tan Yia Swam (Nominated Member).

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

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 Chan Chun Sing	08 Feb	10 Feb
Dr Janil Puthucheary	08 Feb	10 Feb
Assoc Prof Dr Muhammad Faishal Ibrahim	12 Feb	17 Feb
Mr Desmond Lee	14 Feb	14 Feb
Dr Ng Eng Hen	14 Feb	20 Feb
Dr Tan Yia Swam	14 Feb	14 Feb

[Mr Speaker in the Chair]

ORAL ANSWERS TO QUESTIONS

CONTINUOUS MONITORING OF VITAL SIGNS OF BABIES ADMITTED TO NEONATAL INTENSIVE CARE UNITS AT HOSPITALS

1 **Ms Hany Soh** asked the Minister for Health (a) how many of the hospitals in Singapore currently practice continuous monitoring of vital signs on babies who are admitted to its neonatal intensive care units and special care nurseries; and (b) whether other hospitals, apart from KKH, intend to also review and enhance its monitoring procedures for newborns, in particular those born premature or with medical conditions.

The Senior Minister of State for Health (Dr Janil Puthucheary) (for the Minister for Health): Mr Speaker, continuous monitoring of vital signs is routinely performed for all infants admitted to Neonatal Intensive Care Units (NICUs) in all acute hospitals with neonatal care services.

In addition to KK Women's and Children's Hospital, Singapore General Hospital and the National University Hospital are also reviewing and enhancing their monitoring measures for higher risk infants, who are not admitted to the NICU but may benefit from closer monitoring.

Mr Speaker: Ms Hany Soh.

Ms Hany Soh (Marsiling-Yew Tee): I thank Senior Minister of State Janil for his response. Apart from enhancing the monitoring procedures, I hope that the Ministry of Health can also consider having a standard operating procedure in place whereby the hospitals are providing neonatal parental support where it is automatically activated to ensure that the helpless parents are assured of the procedures that will be in place and the essential resources available to assist them.

Dr Janil Puthucheary: I thank the Member for her suggestion. It will be considered.

EFFECT OF PRICES OF GOODS ON MAJOR E-COMMERCE PLATFORMS ON CONSUMER PRICE INDEX

2 **Mr Gan Thiam Poh** asked the Minister for Trade and Industry (a) whether the prices of goods on all major e-commerce platforms are taken into consideration when computing the Consumer Price Index; and (b) whether the wide diversity and competitive pricing on the e-commerce platforms have helped lower the cost of living for local residents in addition to having a stronger Singapore dollar.

The Minister of State for Trade and Industry (Mr Alvin Tan) (for the Minister for Trade and Industry): Mr Speaker, the prices of goods and services sold on major e-commerce platforms, such as Shopee, Lazada and Qoo10, are incorporated in the Consumer Price Index (CPI). E-commerce benefits consumers by offering them a wider choice of goods and services, at a wider range of prices. It also reduces the costs of sale such as those incurred by physical retail outlets.

TAX BENEFITS ENJOYED BY FAMILY OFFICES IN SINGAPORE AND SPIN-OFFS FOR THE ECONOMY

3 **Mr Yip Hon Weng** asked the Prime Minister (a) whether the Government will consider raising the hiring requirements for family offices beyond two investment professionals and incorporate creation of local jobs as a criterion; (b) how does the Ministry ensure that financial assets held by family offices in Singapore are anchored here; and (c) what is the cost-benefit analysis of the tax benefits provided to family offices in Singapore.

The Minister of State for Culture, Community and Youth and Trade and Industry (Mr Alvin Tan) (for the Prime Minister): Mr Speaker, the purpose of our tax incentives for single family offices (SFOs) is to provide them certainty that the funds they set up will not be taxed on income derived from investments managed in Singapore. Without such certainty, funds of a single family office may be taxed in Singapore in addition to the tax that the family, as an investor, may be subject to. This would make it unattractive for SFOs to set up and invest in funds in Singapore.

To qualify for the tax incentives, applicants must be able to demonstrate their contribution to Singapore's economy. They must meet minimum requirements on business spending, assets under management and creating investment professional jobs here.

The Monetary Authority of Singapore (MAS) regularly reviews its tax incentives schemes. In April 2022, MAS raised the minimum criteria for SFOs by: one, increasing hiring requirements; and two, introducing a new requirement for family offices to invest at least 10%, or S$10 million, of their assets, whichever is lower, in local investments.

SFOs often start with small teams of investment professionals. Hence, the more meaningful way to create local jobs is through their positive spillover effects in creating demand for ancillary services like legal, custody and tax services and fund administration. As elaborated in this House previously, Government agencies are developing initiatives to tap the growing interest from family offices to provide capital to support enterprise financing, environmental, social and governance investments and philanthropic activities.

MAS will continue to review the fund tax incentive schemes to ensure that they are relevant and that SFOs can contribute meaningfully to Singapore as they set up their presence here.

Mr Speaker: Mr Yip Hon Weng.

Mr Yip Hon Weng (Yio Chu Kang): I thank the Minister of State for his reply. I have two supplementary questions. First, does MAS have the regulatory powers to oversee family offices to prevent tax evasion and fraud? Second, will the Government consider having the employment of Singaporeans as a hiring requirement for family offices for local job creation?

Mr Alvin Tan: I thank the Member for his supplementary question. Family offices do open accounts with banks in Singapore, and MAS requires all banks operating in Singapore to put in place robust controls to detect and defer the flow of illicit funds. These controls include rigorous processes to identify customers, understand the intended purpose of account opening, evaluate the risks posed and monitor the accounts on an ongoing basis for suspicious activity. Since 2018, Singapore has activated over 70 relationships with countries to share tax-related information. Though these relationships, tax authorities will be able to get information through financial institutions of account holders who are their tax residents. These reaffirm Singapore's commitment to international standards on transparency and cross-border tax cooperation to deter tax evasion.

On the Member's other question, I would like to respond that SFOs are set up to manage the family's own monies. And thus, it is reasonable for the families to have the discretion to make their own decisions on who to hire to manage their families' investments. Further, family offices often invest in globally diversified assets which may require knowledge of overseas markets; and fundamentally, not imposing a requirement to hire locals is to allow family offices the same ability to make hiring decisions that are based on merit, similar to other employers.

Nonetheless, it is our objective to create good jobs here and to give our locals the best chance to take up those jobs by investing heavily in their capabilities and skills. To equip locals with skills relevant to family offices, MAS has partnered with industry experts and the Institute of Banking and Finance to launch three skills maps for the family office sector in 2020 and 2021.

These skills maps set out capabilities that family office employees, management and external service providers should possess, including in new technical skills and competencies for family governance and philanthropy advisory. These skills maps are used by training providers such as our Wealth Management Institute and the Singapore Management University Business Families Institute to develop relevant training programmes, with co-funding of training fees provided for Singapore Citizens and Permanent Residents. The Wealth Management Institute, for instance, aims to train more than 5,000 professionals via its family office programmes by 2025.

PROPOSAL TO REQUIRE USB-C TO BE ADOPTED AS CHARGING STANDARD FOR PORTABLE ELECTRONICS

4 **Mr Leon Perera** asked the Minister for Trade and Industry whether the Government will consider requiring USB-C to be adopted as the charging standard for portable electronics, as will be the case in the European Union (EU) and India.

The Minister of State for Trade and Industry (Mr Alvin Tan) (for the Minister for Trade and Industry): Mr Speaker, to reduce electronic waste or e-waste, the European Union (EU) requires all mobile phones and other portable electronic devices sold in the EU to be equipped with a USB Type-C charging port by the end of 2024. The Indian government intends to implement a similar requirement. But most countries have not announced similar measures. We are monitoring developments in this space, including manufacturers' response to the EU requirements. In the meantime, we have implemented other ways to manage e-waste, such as the Extended Producer Responsibility framework.

Mr Speaker: Mr Perera.

Mr Leon Perera (Aljunied): Thank you, Mr Speaker, Sir. I thank the Minister of State for his reply. I would just like to ask one supplementary question. What would be the triggers or key factors in determining a change in policy on this, given the developments in the EU and India that the Minister of State referred to? Reports state that the measure, when it comes into effect in the EU, will cut down e-waste by 11,000 tonnes a year and save consumers 250 million euros a year. So, in light of that, what would be the factors that would be the triggers that will bring about a change in policy on this point?

Before I finish, let me declare my interest as the chairman of a research and consulting company that does work in consumer tech, among other verticals.

Mr Alvin Tan: Thank you. The short answer is that we are still monitoring developments in this space.

CASES WHERE OLDER WORKERS IN PWM SECTORS SUFFER DEMOTION AND SALARY CUTS FOR FAILING TO PASS REQUIRED TESTS DUE TO LANGUAGE LITERACY GAPS

5 **Ms Carrie Tan** asked the Minister for Manpower (a) whether the Ministry is aware of cases where experienced and older employees in the security, landscaping and cleaning sectors suffer demotion and salary cuts for failing to pass required certification tests due to language or literacy limitations since the Progressive Wage Model was implemented; (b) whether the Ministry has looked into these implementation gaps to address such side effects of the policy that do not align with the policy intent; and (c) what can workers who find themselves in such situations do.

The Senior Minister of State for Manpower (Mr Zaqy Mohamad) (for the Minister for Manpower): Mr Speaker, the Progressive Wage Model, or PWM, provides career and training progression pathways for our lower-wage workers, which allows them to see meaningful and sustainable wage increases as they improve their skills and productivity. Each PWM ladder differentiates job rungs based on the job scope and skills required. Higher wages on upper job rungs reflect the increased responsibilities and skills expected of employees. PWM training requirements specified for each job rung support employees in acquiring the skills needed to do that job.

Employers deploy their employees to the appropriate job rungs, taking into account business needs and the ability of the employee to do the job. Employers are required to pay their employees the applicable PWM wage for the job rung they are deployed to.

While there are training requirements for each job rung, PWM wages are based on the job that the employee is performing and not the completion of training requirements. An employer must, therefore, pay an employee the applicable PWM wage even if the employee has not yet met the PWM training requirements, as long as the employee is performing the job.

Generally, the employer would have placed the employee on a job that the employee is able to perform. If the employee does not possess the skills required to perform the job, employers can redeploy the employee to more appropriate roles.

PWM training requirements are determined through tripartite consultation and agreement. Tripartite Partners are mindful that training requirements which are meant to uplift lower-wage workers should not end up disadvantaging them. To support the training of workers who may have lower literacy skills or face language barriers, training providers can supplement the delivery of PWM training courses with vernacular and/or visual aids. Where feasible, some PWM training requirements can also be met through assessment-only pathways. These pathways allow experienced employees to meet the PWM training requirements by completing assessments – and typically, these are done in person – to show that they have the requisite skills, without having to attend the course.

To date, the Ministry of Manpower (MOM), SkillsFuture Singapore (SSG), as well as the respective lead sector agencies of the PWMs for the Cleaning, Security and Landscape sectors have not received feedback about demotions or salary cuts due to failing to pass PWM training requirements. Employees who face challenges in completing PWM training requirements due to language or literacy limitations may approach SSG for further assistance. Employees who feel unfairly treated can approach their unions or MOM for assistance.

ENHANCING EMPLOYABILITY OF CAREGIVERS WHO EXPERIENCED CAREER INTERRUPTION

6 **Dr Tan Wu Meng** asked the Minister for Manpower whether the Government will consider a study on enhancing the employability of caregivers through raising awareness among employers of the character traits and personal values demonstrated when an individual has interrupted his career in order to be a caregiver for their elderly or ailing parent.

The Minister of State for Manpower (Ms Gan Siow Huang) (for the Minister for Manpower): Mr Speaker, the Ministry of Manpower (MOM) currently has no plans to commission a study to raise awareness of the character traits and personal values of individuals who disrupted their careers to be caregivers for their elderly or ailing parents. We recognise positive traits, such as resilience and sense of duty, among this group of caregivers. However, we are mindful not to overgeneralise caregivers as they are unique individuals after all, and employers ought to assess each of them fairly based on their qualities and ability to fulfil the job requirements without bias.

To support caregivers in returning to work, the Government and tripartite partners encourage the adoption of flexible work arrangements, or FWAs. Having access to FWAs will enable caregivers to work sustainably around their caregiving needs. We have developed resources, such as implementation guides and FWA policy templates, and conducted workshops to guide employers in adopting FWAs. We will also be introducing a set of Tripartite Guidelines on FWAs by 2024, and this will set norms for FWA requests to be requested and evaluated fairly.

In addition, Workforce Singapore provides employment facilitation programmes and services for caregivers who need support to return to the workforce. For example, Career Conversion Programmes provide training and salary support to employers who hire and reskill mid-career jobseekers for new occupations, with higher support for those who have not been in work for at least six months.

Mr Speaker, caregivers returning to work are a resource and talent pool that companies should tap on to meet their manpower needs. I encourage employers to factor in the caregivers' past work experiences, their qualifications and skills, as well as their personal attributes, that are relevant to the job they are applying for and to provide fair support to them in returning to the workforce.

Mr Speaker: Dr Tan Wu Meng.

Dr Tan Wu Meng (Jurong): I thank the Minister of State for her answer. Mr Speaker, I have met residents who interrupted their careers, gave up their existing jobs in their 40s and 50s, to look after a terminally ill parent – dedication, devotion in their parents' time of greatest need. When they try to get back to the workforce, they find that because of the gap on the curriculum vitae, there are some employers whose human resources (HR) departments write them off, even before being considered for interview.

Can I ask the Minister of State what is being done to work with HR practitioners to encourage inclusive and enlightened HR practices that recognise a worker who has interrupted their career and may have done so for family reasons and/or for caregiver reasons, and to help these workers have the best possible opportunity for a fair chance at getting back to the workforce?

Ms Gan Siow Huang: Mr Speaker, MOM works with Institute for Human Resource Professionals as well as employers under the Singapore National Employers Federation network to emphasise the need for fair employment and not to discriminate against any group, including caregivers. Members may have observed that yesterday, MOM, together with our tripartite partners, released our interim report on workplace fairness legislation, which includes protecting caregivers and several groups against discrimination.

EXTENSION OF INCLUSIVE BUSINESS PROGRAMME TO INDUSTRIAL PROPERTIES OPERATED BY JTC

7 **Mr Murali Pillai** asked the Minister for Social and Family Development whether the Inclusive Business Programme (IBP) to assist persons with disabilities to obtain gainful employment at HDB shop spaces may be extended to industrial properties operated by the Jurong Town Corporation (JTC), particularly those which are located close to HDB housing estates and used to be operated by HDB until 2018 when they were handed to JTC.

The Senior Parliamentary Secretary to the Minister for Social and Family Development (Mr Eric Chua) (for the Minister for Social and Family Development): Mr Speaker, under the Inclusive Business Programme (IBP), Housing and Development Board (HDB) directly allocates shop spaces to businesses with at least 20% of their employees who are persons with disabilities (PwDs).

The Ministry for Social and Family Development (MSF) will work with the Ministry of Trade and Industry (MTI) and JTC to explore the Member's suggestion to extend IBP to industrial properties operated by JTC, as part of our efforts to raise the employment rate for PwDs.

Mr Speaker: Mr Murali Pillai.

Mr Murali Pillai (Bukit Batok): Sir, I am glad that MSF is taking up my suggestion to extend IBP to JTC. One further suggestion is also to consider whether any rental rebates can be given in relation to small- and medium-sized enterprises who are willing to employ PwDs.

Mr Eric Chua: Mr Speaker, I thank the Member for his suggestion. We will take that into account in our review.

LEGISLATIVE LEVERS TO STRENGTHEN INTERNAL SECURITY DEPARTMENT'S CAPACITY GIVEN INCREASE IN CASES OF YOUTHS BEING SELF-RADICALISED

8 **Mr Murali Pillai** asked the Minister for Home Affairs having regard to the recent cases of persons, particularly youths, being self-radicalised through the Internet posing imminent threats to the society and the associated difficulty in identifying such persons, whether any additional legislative measure should be introduced to allow the Internal Security Department to continue to play an effective role in keeping Singapore safe from terrorism.

The Minister of State for Home Affairs (Ms Sun Xueling) (for the Minister for Home Affairs): Mr Speaker, Sir, the Ministry of Home Affairs (MHA) adopts a zero-tolerance approach towards radicalisation and any form of extremist ideology. The Internal Security Act (ISA) has been an effective tool for us to pre-emptively tackle such threats, evident from, among others, the arrests of three self-radicalised Singaporean youths and the foiling of their attack plans over the past two years.

In the online space, the Government has in place levers under the Broadcasting Act to disable access by Singapore users to websites that contain material that is objectionable on the grounds of public security. In addition, the Online Safety (Miscellaneous Amendments) Act, which has taken effect from 1 February 2023, further strengthened regulations under the Broadcasting Act to disable access to egregious content on social media services – including content instructing or advocating terrorism and violence.

During the MHA Committee of Supply debate in March 2022, then-Minister of State for Home Affairs, Mr Desmond Tan, announced that MHA was working with agencies to develop a framework that will tackle online criminal activity, including terrorism and content inciting violence in our community. This framework will complement the provisions under the Online Safety (Miscellaneous Amendments) Act and we will provide more information at an appropriate juncture.

Mr Speaker: Mr Murali Pillai.

Mr Murali Pillai (Bukit Batok): Mr Speaker, Sir, I would like to commend the efforts of Internal Security Department (ISD) in identifying this particular youth that was arrested earlier this month and detained by the Minister under the powers vested in him in the ISA. Based on what has been announced, it is pretty clear that if not for the timely intervention of ISD, people would have been hurt and there could have even been more serious injuries, or even death, arising from him being at loose and wanting to espouse his thoughts.

My question is in relation to a point made by the hon Minister in the interview by the press. He said that he felt that there was still a need for legislative levers in relation to holistically dealing with this phenomenon of self-radicalised youths. So, may I just ask the hon Minister of State, what are the legislative levers that are being contemplated to deal with this phenomenon?

Ms Sun Xueling: I thank the Member for his supplementary question. As I had mentioned in my main reply, we are currently looking at how we can work with agencies to develop a framework that will tackle online criminal activity and it will complement what has been amended in the Broadcasting Act and also the Online Safety (Miscellaneous Amendments) Act. We will be coming out, quite shortly, with more details of the proposed framework and the new legislative levers.

SUSTAINABILITY OF TRAY AND CROCKERY RETURN MOVEMENTS AT HAWKER CENTRES, COFFEE SHOPS AND FOOD COURTS

9 **Ms Joan Pereira** asked the Minister for Sustainability and the Environment (a) whether the Tray and Crockery Return Rate under the mandatory tray return policy has been maintained at 90% and above since the last update in September 2022; and (b) whether there continues to be regular checks being conducted so as to ensure overall cleanliness is maintained in hawker centres, coffeeshops and food courts.

The Senior Minister of State for Sustainability and the Environment (Dr Amy Khor Lean Suan) (for the Minister for Sustainability and the Environment): To date, the average Tray and Crockery Return Rate, or TCRR, at hawker centres, coffeeshops and food courts is around 90%. To ensure the cleanliness of our public dining spaces, the National Environment Agency (NEA) and the Singapore Food Agency (SFA) have been conducting checks, with focus on premises with a lower TCRR. The average TCRR of around 90% largely shows that many diners have been doing their part. We hope that more diners will return their trays and used crockery after their meals, to entrench this as a social norm in Singapore.

Mr Speaker: Ms Joan Pereira.

Ms Joan Pereira (Tanjong Pagar): Thank you, Speaker. I have one supplementary question for the Senior Minister of State. In general, I have received feedback that some patrons, although they are able to, do not return their trays after eating. May I know how successful the mandatory tray return policy has been since the initial set of good results, and whether there has been any deterioration in the compliance rate? And if so, would the Ministry be able to impose more effective measures, like more frequent patrolling by NEA officers and enforcement, only if necessary?

Dr Amy Khor Lean Suan: As I have mentioned in my reply earlier, the average TCRR for our hawker centres, coffee shops and food courts have remained at around 90%. Indeed, we are heartened by the support given by Singaporeans to clear and clean up after themselves.

But, nonetheless, this also means that there is a minority, a small proportion who still do not return their used crockery and tray after their meals. And some might not do it unless the enforcement officer advises them to do so, because if they heed the advice of the enforcement officers, no action will be taken. A written warning will only be issued if they do not heed the advice and, subsequently, if they offend again, it will be a composition fine.

We do want to encourage more Singaporeans to clean up after themselves at our public dining places.

What we have done is, NEA and SFA have continued to conduct checks and enforcements, particularly in premises with a lower TCRR. We do that and work closely with the Town Councils, as well as with the hawker associations and stallholders to get them, for instance, to remind these diners to return their used crockery and tray, as well as to ensure that there is sufficient tray return infrastructure and signages to remind and raise awareness about the requirement.

In addition to that, we will continue to monitor the situation and we will, as the Member has pointed out, look at a review of the deployment of our enforcement officers if need be, as well as consider the option of firmer actions should the situation warrant it.

PROGRESS MADE BY PUBLIC SERVICE ON ELIMINATING SINGLE-USE ITEMS IN FOOD CATERING FOR THEIR EVENTS

10 **Mr Louis Ng Kok Kwang** asked the Minister for Sustainability and the Environment (a) whether she can provide an update on the progress that the Public Service has made in eliminating single-use items from their catering events; and (b) what is the timeline for completely eliminating single-use items from all Public Service catering events.

The Senior Parliamentary Secretary to the Minister for Sustainability and the Environment (Mr Baey Yam Keng) (for the Minister for Sustainability and the Environment): Mr Speaker, the public sector is committed to reducing its waste. Under GreenGov.SG, the public sector has set a target to reduce the amount of waste disposed of by 30% by 2030, compared to 2022 levels. To meet this target, we are focusing on waste reductions, as well as recycling measures. These include requiring public sector buildings with food and beverage establishments to segregate their food waste for treatment, as well as not providing bottled or packaged water for meetings.

Apart from these measures, we also recognise that public sector events are key touchpoints and bringing reusables or eliminating single-use items from catering events are important markers for behaviour change. As such, public agencies are encouraged to follow the practices in the Best Practice Guide for Organising Environmentally Friendly Events, unless event conditions make some practices unfeasible. The list of practices includes requesting participants to bring their own reusable cups, cutlery and containers, and to provide recycling bins if bottled water must be provided.

Understandably, it remains a challenge to completely eliminate single-use items from all Public Service catering events, especially if the venues do not have adequate washing facilities. We will continue to regularly review our strategies and guidelines, including to reduce single-use items, to further advance the public sector's waste reduction measures.

Mr Speaker: Mr Louis Ng.

Mr Louis Ng Kok Kwang (Nee Soon): Thank you, Sir. I thank the Senior Parliamentary Secretary for the reply. Could I just check whether we have a target date where we will completely eliminate the use of disposables at our events or at our meetings? Second, could I also ask whether we are actually tracking the exact number of disposables that are being used at events organised for or by the Public Service, and also, at our meetings?

And I ask this, hopefully, with some sense of urgency, because last week, I was at a Ministry's office for an event and disposable cups were still being used. And I think, as we preach so much about going zero-waste, we really should practise what we preach. And I should thank Speaker as well, for greening Parliament, where we now no longer use disposable cups here. So, it is possible.

Mr Baey Yam Keng: I thank the Member for pushing for reducing waste and, indeed, our ambition is to do that. But I would like to further clarify that our priority is on implementing impactful moves that will reduce waste and increase recycling at these events. Because complete elimination of single-use items is not possible at all catering events, as it depends on the venue, operational considerations and limitations.

So, we will take a holistic approach, a measured approach in our push for change and contextualise ideas that are suited to our local waste management system.

If the Member can share with me, offline, which event he went to that offered those cups, we can nudge our sister agency or Ministry to understand the concerns and constraints.

REGULATIONS ON PRACTICE WHERE INDIVIDUALS HOLD MORE BOARD DIRECTORSHIPS THAN THEY CAN HANDLE

11 **Mr Leon Perera** asked the Deputy Prime Minister and Minister for Finance (a) whether there are existing regulations on the practice of "overboarding" in Singapore, where individuals hold more board directorships than they can responsibly handle; and (b) if there are none, whether the Government will study introducing such regulations for Singapore-incorporated or Singapore-listed companies.

The Senior Minister of State for Finance (Mr Chee Hong Tat) (for the Minister for Finance): Mr Speaker, the Companies Act does not limit the number of directorships that an individual may hold for Singapore-incorporated companies. All directors, regardless of the number of directorships held, are required to discharge their duties responsibly, and with honesty and reasonable diligence. Those who fail to do so can face enforcement action, including disqualification and debarment.

Singapore-listed companies are subject to additional requirements relating to board appointments, given the public interest involved. Under the Singapore Exchange's Listing Rules, they are required to disclose the directorships and principal commitments of individuals seeking to be appointed or re-elected to their boards. In addition, under the Code of Corporate Governance, where a director holds a significant number of directorships, the company's Nominating Committee and Board are to provide a reasoned assessment of the ability of the director to diligently discharge his or her duties.

Sir, on the whole, the practice of individuals holding more board directorships than they can reasonably handle is not prevalent in Singapore. About 95% of directors of Singapore-listed companies hold no more than two directorships, and over 80% of directors hold only one directorship.

Mr Speaker: Mr Leon Perera.

Mr Leon Perera (Aljunied): Thank you, Mr Speaker, Sir. And I thank the Senior Minister of State for his reply. I just have one supplementary question. Before that, I declare my interest as a board director of a Singapore company.

Would the Government consider adopting a more prescriptive approach given the fact that there is research that demonstrates that the more board directorships one holds, the less time one can devote to discharging one's responsibilities as a director effectively and also given international precedence?

In the United Kingdom (UK), I believe, they do adopt a more prescriptive approach. The UK Corporate Governance Code 2018 which is a promulgated by the Financial Reporting Council, sets certain concrete limits. For example, you are full-time executive director, you cannot hold more than one non-executive directorship of the Financial Times Stock Exchange (FTSE) 100 company. In the United States (US), while there are no regulations, asset managers and institutional investors also do have a threshold number for the maximum number of directorships that a board director should have before it is considered "overboarding".

Mr Chee Hong Tat: Mr Speaker, Mr Leon Perera mentioned about the UK. The UK Corporate Governance Code limits top executives to only one FTSE 100 non-executive directorship. However, there is no such limit for chairs and non-executive directors, but individuals must allocate sufficient time to the company to discharge their responsibilities, which is similar to the requirements that we have under our Listing Rules.

The point that Mr Perera made about the US – and for that matter Australia and Hong Kong – they also do not set a limit under the law for the number of directorships that a person can hold. But that the responsibility for the individuals, the directors, to be able to discharge their responsibilities diligently, I think that is common across all these jurisdictions.

EXPECTED COST SAVINGS FOR GOVERNMENT FROM PURSUIT OF HEALTHIER SG INITIATIVE

12 **Mr Yip Hon Weng** asked the Minister for Health what is the expected overall cost savings of the healthcare budget in the next five years as a result of pursuing the Healthier SG initiative.

The Senior Parliamentary Secretary to the Minister for Health (Ms Rahayu Mahzam) (for the Minister for Health): Mr Speaker. Healthier SG is the correct policy to focus on to reduce the prevalence of diseases as our population ages. It is too early to give a robust budgetary estimate. The work has just begun, and the focus now is to get everyone on board and making sure everyone understands and buys into the mission objective.

Mr Speaker: Mr Yip.

Mr Yip Hon Weng (Yio Chu Kang): Thank you, Speaker. And I thank the Senior Parliamentary Secretary for her reply. I take the point that it is too early.

When does the Ministry of Health plan to move towards this new healthcare financing model under Healthier SG? Because Healther SG is coming up in the middle of the year, so some residents have asked: what are some of the costs involved.

Ms Rahayu Mahzam: I thank the Member for the query. We can address some of these issues as they come along. And when we are ready, we can and will make the appropriate announcements of the changes that will impact these residents.

EMPOWERING COMMUNITY DISPUTES RESOLUTION TRIBUNALS TO REQUIRE MEDICAL ASSESSMENTS OF CLAIMANTS AND RESPONDENTS

13 **Dr Tan Wu Meng** asked the Minister for Law whether the Community Disputes Resolution Tribunals can be empowered to make recommendations or require medical assessments for the claimant and respondent involved in a dispute should there be a substantial cause to believe that the respective individual is suffering from a significant medical condition which may lead to harm to themselves or others if left untreated.

The Senior Parliamentary Secretary to the Minister for Law (Ms Rahayu Mahzam) (for the Minister for Health): Mr Speaker, the Community Disputes Resolution Tribunals (CDRT) takes a multifaceted approach to managing cases where there is reason to believe that a party may be suffering from a medical condition, that may have contributed to a neighbour dispute.

In appropriate cases, the CDRT may require court psychologists and counsellors from the State Courts' Centre for Specialist Services (CSS) to make a preliminary assessment of an individual's mental health, if there are signs to suggest that the individual may have an underlying mental health condition. If the individual refuses to attend the counselling session, the CDRT may require the individual to attend counselling.

The CSS can then provide input to the Judge on whether the individual would benefit from a referral to a psychiatrist from the Institute of Mental Health (IMH). In appropriate cases, CSS may also encourage the individual to approach one of the Family Service Centres or the Agency for Integrated Care to seek referrals for medical care or social services. Depending on the nature of the case, the CDRT can require the attendance of a party's family member during the court proceedings and encourage the relevant party to seek treatment for the medical condition.

In cases that proceed to trial, the CDRT may issue an order requiring a respondent to cease his or her acts of unreasonable interference. If this order is not complied with, the CDRT may then also issue a Special Direction to the respondent requiring compliance.

In addition to issuing a Special Direction, the CDRT can also require a third party to enter into a compliance bond, which may be forfeited if the respondent breaches the Special Direction. A compliance bond may contain conditions, such as requiring the person who put up the bond – for example, a family member of the respondent – to ensure that the respondent undergoes medical assessment and treatment.

If the respondent continues to engage in acts of unreasonable interference and breaches the Special Direction, then this is an offence. If convicted, the sentencing Court may, if appropriate, issue a Mandatory Treatment Order (MTO) to the respondent.

An inter-agency committee is currently reviewing the Community Dispute Management Framework. As part of this review, the Committee is studying how to better address neighbour disputes that may be due, at least in some part, to the mental health condition of a resident, including whether the CDRT should be empowered to make MTOs. The Committee will provide more details of the review in due course.

CHECKS ON SINGAPORE COMPANIES TO PROHIBIT TRANSFER TO MYANMAR OF ITEMS WITH POTENTIAL MILITARY APPLICATION

14 **Mr Dennis Tan Lip Fong** asked the Minister for Foreign Affairs regarding allegations in the report of the Special Advisory Council for Myanmar dated 16 January 2023 claiming that Singapore functions as a "strategic transit point for potentially significant volumes of items" including raw materials that contribute towards military production by the Myanmar military, whether the Government will carry out a check on all Singaporean companies, including companies that may be implicated by the report, to ensure compliance with the prohibitions against the transfer of items having potential military application in Myanmar against civilians.

The Minister for Foreign Affairs (Dr Vivian Balakrishnan): Speaker, we note that many of the assertions made by the Special Advisory Council for Myanmar pertains to economic activities which pre-date the February 2021 military coup. It is also worth emphasising that before the military coup, there was a legitimate government in Myanmar whom we fully recognised and whom we had constructive, comprehensive relations with.

Specifically on military sales, I want to quote former Minister for Foreign Affairs George Yeo when he answered the question in 2007 on whether Singapore has supplied arms to Myanmar. He said: "As far as defence sales are concerned, it is established policy of the Government not to divulge details publicly. Myanmar is not subject to any UN arms embargo. If there is any UN sanction against Myanmar, Singapore will of course abide by it. Nevertheless, I can say that over the years, defence sales to Myanmar have not been substantial and have always been carefully limited to items that are not suitable for countering civilian unrest. There have not been any defence sales to Myanmar in recent years and, going forward, we will continue to behave in a responsible manner."

This statement was made by Mr Yeo in 2007 and he said that there had not been any defence sales for some years. Today, 16 years later, this position still stands.

Singapore complies strictly with our international obligations on international arms sales and transfers, as well as the United Nations (UN) sanctions and embargoes against any country. On the declaration of arms exports, Singapore submits regular reports to the UN Register of Conventional Arms (UNROCA). In June 2021, Singapore also voted in favour of UN General Assembly Resolution 75/287 entitled "The Situation in Myanmar". This resolution called on the UN member states to "prevent the flow of arms into Myanmar".

Whilst UN General Assembly resolutions are not strictly legally binding, nevertheless the Government has decided to prohibit the transfer of arms to Myanmar. We also decided not to authorise the transfer of dual-use items which have been assessed to have potential military application to Myanmar, where there is a serious risk that they may be used to inflict violence against unarmed civilians.

We will not hesitate to take action against those who contravene our laws, including Singapore's Strategic Goods (Control) Act which controls the transfer and brokering of strategic goods and technology.

Singapore remains committed to working with the fellow ASEAN member states and UN member states to facilitate peace and national reconciliation in Myanmar. I can only hope this comes sooner rather than later.

Mr Speaker: Mr Dennis Tan.

Mr Dennis Tan Lip Fong (Hougang): I thank the Minister for the reply. I have two supplementary questions. First, I would like to ask the Minister what checks were carried out after the allegations were made in the special report in respect of Singaporean companies?

And secondly, what measures are put in place by the Government to check on Singaporean companies on a regular basis in respect of their compliance or does the Government only follow up when there is a feedback or complaint on any non-compliance?

Dr Vivian Balakrishnan: On the first supplementary question on what checks were made, I looked at the assertions of the Special Advisory Council. As I said, in fact, most of those assertions go way back in time – some were more than 20 years ago. So, within the limited access which I have now after two decades, what I can say, looking at Mr George Yeo's response is that we have maintained that same position and, therefore, there have been no defence sales for a very long time. We are talking more than a decade, decade and a half.

Specifically to the Member's second question of what is our current regime, as I explained just now, although the UN General Assembly resolution is not legally binding, we have taken a decision to effect a ban on the sale and transfer of arms. And you must remember that that also includes the transshipment of arms. This is effected legally through our Strategic Goods (Control) Act. And that means we go through every submission of an import/export. If clearly there are military items there, we are going to flag up a red flag. But we have even gone beyond that. Where they are dual-use items, civilian items – but which in our judgement would also pose risks to unarmed civilians, we will also flag a red flag.

So, I am informing you and I am also putting all companies on notice that we are taking a very firm line on this. I think Members in this House will share our sympathy for the unarmed civilians in Myanmar and we want to make sure that nothing we do aggravates the situation there. I am sure this is something which enjoys the Member's support and that of the Member's party as well.

REVIEW TO TIGHTEN LICENSING CONDITIONS FOR ELECTRICITY RETAILERS TO BETTER PROTECT CONSUMERS

15 **Mr Yip Hon Weng** asked the Minister for Trade and Industry (a) when is the Ministry expecting to complete its review of tightening licensing conditions for electricity retailers to protect consumers; and (b) how does the Ministry ensure that higher costs will not be passed on to consumers.

The Second Minister for Trade and Industry (Dr Tan See Leng) (for the Minister for Trade and Industry): Mr Speaker, in October 2022, the Ministry of Trade and Industry (MTI) announced that the Energy Market Authority (EMA) would be introducing guardrails to strengthen the electricity market and prepare Singapore for the energy transition. These guardrails include enhancements to the regulatory requirements on electricity retailers to strengthen consumer protection and the retailers' ability to withstand market volatility.

On 1 February 2023, EMA launched a public consultation on the proposed enhancements to the regulatory framework for electricity retailers. The consultation will close on 3 March 2023. We will study the feedback carefully thereafter and fine-tune the enhancements before implementing them.

The proposed enhancements will give users greater assurance that their retailers will be able to fulfill their contracts. MTI and EMA have carefully calibrated the proposed enhancements to minimise the cost impact of complying with the new regulations. These enhancements are part of a broader set of moves to bring about a stronger and more secure power system, and help us to mitigate better the impact of global volatility on domestic consumers.

Mr Speaker: Mr Yip.

Mr Yip Hon Weng (Yio Chu Kang): Thank you, Mr Speaker. I thank the Minister for his reply. What are some of the benefits to consumers once the review is completed and the changes implemented? For instance, will consumers continue to have choice in terms of retailers?

Dr Tan See Leng: Mr Speaker, I thank the Member for his supplementary question. Moving forward, EMA intends to require all retailers to hedge at least 80% of their retail contract quantity on a rolling 24-month forward basis. Retailers would have to provide a performance bond, to cover their projected residual unhedged quantities. This increased hedging requirements are intended to increase the resilience of retailers during periods of market volatility.

To the Member's point about the retailers, it is really a market condition. But there are multiple ways that retailers can meet EMA's increased hedging requirements. Besides the electricity futures market, retailers can also enter into contract for different Contracts-for-Difference, which suppliers with physical generation assets such as generation companies, waste to energy plants or solar providers.

The enhancements are needed as I mentioned in my reply earlier on, to give our users more assurance that their retailers will operate prudently and that their contracts will be on it. MTI and EMA have carefully calibrated enhancements to ensure that any cost impact is reasonable.

The whole purpose of this public consultation exercise, with both the public and industry on these enhancements – the proposed enhancements to the regulatory framework – is to garner the feedback and we will consider what other suggestions from this consultation very carefully and fine-tune these proposed enhancements as needed. I hope that gives the reassurance to the hon Member of Parliament.

PROPOSAL FOR INCLUSION OF REGISTRAR'S EMPOWERMENT CLAUSE IN COURT ORDERS TO FACILITATE SALE AND TRANSFER OF MATRIMONIAL ASSETS

16 **Ms Carrie Tan** asked the Minister for Social and Family Development (a) whether the Ministry will consider having a Registrar's Empowerment clause included in all Court orders relating to the sale and transfer of matrimonial assets to prevent situations of housing limbo faced by divorcees whose ex-spouses refuse or willfully delay the sale and transfer of their matrimonial flat; and (b) if not, what are the considerations and reasons for not including the clause.

The Minister of State for Social and Family Development (Ms Sun Xueling) (for the Minister for Social and Family Development): Mr Speaker, Sir, in the vast majority of divorce proceedings, parties promptly comply with Court orders. It would be inappropriate for the Family Justice Court or Syariah Court to, without evidence, presume that one or both parties do not intend to comply. This is why the Court does not impose a Registrar's Empowerment Clause as a default option.

We are concerned about disempowering the parties to a matrimonial proceeding, which is also inconsistent with our intent to secure the best interest of the parties and their children. Instead, a therapeutic justice approach helps couples to move forward in a more positive way, rather than positioning parties as adversaries in Court.

In the rare case where one party refuses or wilfully delays the sale or transfer of the matrimonial assets, remedies already exist. The other party may return to Court and apply to vary the order. The Court may instruct the parties to address the underlying disagreement, such as for parties to accept the highest offer within a specific period. The Court may also then make a Registrar's Empowerment Clause.

Mr Speaker: Ms Carrie Tan, next question.

RECOURSE FOR RESIDENTS FACED WITH LONG-TERM WATER SEEPAGE PROBLEMS IN HDB FLATS

17 **Ms Carrie Tan** asked the Minister for National Development (a) what recourse is provided for residents suffering from unsolvable long-term water seepage disamenities in their HDB flats; and (b) whether the Ministry will consider some form of compensation or buy the flats back at market price from residents whose water seepage cases remain unresolved after a certain number of years and who may not be able to sell the flat to other buyers.

The Senior Minister of State for National Development (Mr Tan Kiat How) (for the Minister for National Development): Mr Speaker, water seepage in the Housing and Development Board (HDB) flats could come from various sources such as from the external wall or from the flat above. This is due to wear and tear of joints at the external walls, or waterproofing of the ceiling or floors over time.

As the external walls of HDB blocks are common property, Town Councils are responsible for investigating and repairing external wall leaks reported to them. For leaks in the ceiling or floor slabs between two flats, it is the responsibility of lower and upper floor flat owners to collectively resolve the situation.

For challenging and complex cases, that usually involve multiple sources of leaks, Town Councils or residents may approach HDB for advice.

As water seepage issues can be resolved once the sources of leaks have been identified and repair works are duly carried out, there are no plans for HDB to offer compensation or to buy back the flats.

Mr Speaker: Ms Carrie Tan.

Ms Carrie Tan (Nee Soon): I thank the Senior Minister of State for the answer. However, we have several units and these are residents with very exceptional cases where the water seepage disamenity has been unsolved for many years. And with the recent rain and the continuous rain, it is causes a daily disamenity and disrupts their lives, in some cases, even causing fall risks amongst family members. With the ageing population, this is going to be more common – and of course – climate changes that is causing more rain.

Is the Ministry looking into improving or finding doing research, to improve either the quality of the material used in our buildings or the method of constructing our buildings, to ensure that going forward, such exceptional weather conditions will not create such a conundrum, and I think, an actual risk to residents who are staying in the flats.

And for those who are already facing this situation, will the Ministry consider some alternatives, such as an interim temporary housing solution until the problem has been solved. And I would like to emphasise that for these cases, it is not due to any lack of effort either by the Town Councils or the HDB departments involved, but it is just really difficult to trace and technically difficult to solve.

Mr Tan Kiat How: Mr Speaker, I thank the Member for her supplementary question. Firstly, I must assure the Member that we empathise with the situation of those flat unit owners. For those few flats that the Member mentioned, we are in close contact with the flat owners, as well as the Town Councils to look at some of the issues. Some of these cases are for older flats, more than a few decades old, there will be wear and tear and there could be multiple sources of the water seepage which could be from external facade, or could be from the floor slabs or ceilings or could be due to other reasons.

And for those cases, we have been working very closely with the Town Councils, as well as the flat owner to carry out tests, to identify the sources of leaks, to recommend methods and procedures to try to rectify the situation. And my assurance to the Member is that HDB will continue to work very closely with the Town Councils and the flat owners to rectify and resolve those issues. So, I give my assurance to the Member that we will continue working on those.

Her other question is around the research into material, these are areas that HDB has been investing in for a number of years – over more than a decade of research into materials – into how we can resolve some of these common issues that we see in HDB blocks.

Mr Speaker: Mr Gan Thian Poh.

Mr Gan Thiam Poh (Ang Mo Kio): I thank the Senior Minister of State for the reply. I just want to ask: since the law has been changed to compel the owners of the above units who refuse to cooperate to work together to help repair the ceiling leakage issue, so far, how many cases has been taken to Court for enforcement?

Mr Tan Kiat How: Mr Speaker, the Member Mr Gan ask about – if my understanding is correct – the ceiling leaks, where under the HDB lease, the maintenance of party structure, the joint responsibility of both the upper and lower floor flat owners. And when there is a leak, due to wear and tear, both parties would have to rectify the leak and share the repair cost.

Nonetheless, HDB, through the Goodwill Repair Assistance (GRA) scheme try to provide some help to both the flat owners at the upper floor and the lower floor. The main objective of the GRA scheme is to assist flat owners particularly for ceiling leaks where some upper and lower floor flat owners face difficulty in reaching an agreement in getting a contractor to carry out repairs. The GRA scheme was implemented administratively since April 2001, and HDB arranges for repair works and co-pays 50% of the cost, and the other remaining 50% will be co-shared between the upper floor and the lower floor flat owners, kept at $300 per repair location.

I do not have details about the cases where enforcement investigation has undertaken, and to the Member's question about when such cases have gone further than having a conversation, if the Member would like, he can file a separate Parliamentary Question on that.

Mr Speaker: Assoc Prof Jamus Lim.

Assoc Prof Jamus Jerome Lim (Sengkang): My question actually builds on the hon Members' questions here. I wonder if the Senior Minister of State would be willing to elaborate on the tolerable timeline with which these kind of disputes are accepted before they are ultimately resolved. The reason why I ask is because it is often the case that, especially, when the leak emanates from the upper floor, it does not really affect one neighbour but it affects the downstairs neighbour, and this often leads to a lot of foot-dragging, in terms of their willingness to proceed with their cost-sharing.

Mr Tan Kiat How: Mr Speaker, to Member Assoc Prof Jamus' question about tolerable timeframe, from HDB's point of view and I think many of us – as Members of Parliament and advisors – face these complaints or feedback from residents. We want to resolve those issues as quickly as possible, understanding that it causes disamenities and inconveniences to residents, especially in the lower floor. But many of these cases requires both parties to come together. HDB can play a role to facilitate, to bring conversations together, but there may be real challenges in getting both parties to meet and talk.

For those issues, I urge all parties to come to an amicable resolution, that is what the GRA scheme is meant to help, to incentivise the resolution of the conclusion with HDB coming forward to pay 50% of the costs. So, I do encourage all Members of Parliament and advisors to speak to your residents, engage them, and if need be, please rope in the Town Councils and approach HDB. We will look at it on a case-by-case basis and try to help as much as we can.

DEVELOPMENT AND LAUNCH OF MRNA-BASED VACCINES FOR CANCER IN SINGAPORE

18 **Mr Leon Perera** asked the Minister for Health what is being done by the Government to fast-track the development and launch of mRNA-based vaccines for cancer in Singapore.

The Senior Minister of State for Health (Dr Janil Puthucheary) (for the Minister for Health): Sir, cancer is a priority disease area for research in Singapore. Through Research, Innovation and Enterprise funding over the years, competitive cancer research projects in Singapore have been supported by the Ministry of Health (MOH)'s National Medical Research Council, including the development of mRNA-based cancer vaccines.

For example, the National University Cancer Institute, Singapore, is developing an Epstein-Barr virus (EBV) vaccine platform using lipid nanoparticle mRNA vaccine technology. The Agency for Science and Technolody Research is leading the research that combines genomic knowledge about EBV and nasopharyngeal cancer (NPC), to develop better mRNA vaccines against EBV that can reduce the risk of developing NPC, which tends to affect Asians more. Scientists at the National University of Singapore are investigating the combined use of a personalised RNA-based cancer vaccine with RNA based immune-checkpoint inhibitor treatments for patients with Acute Myeloid Leukemia.

Research on the efficacy of mRNA-based vaccines against cancers is still at an early stage and none has been approved yet to treat or prevent cancer. However, given the potential of this approach, MOH will continue to support the development of suitable mRNA-based vaccines to treat cancer, as well as other important medical conditions in Singapore.

This includes: one, providing funding support for such research; two, supporting research collaborations between our researchers and overseas partners; three, supporting local research focusing on diseases that affect our local ethnic populations disproportionately; and four, working through the Singapore Translational Cancer Consortium to better coordinate, integrate and support the work of key local cancer research stakeholders.

Mr Speaker: Mr Leon Perera.

Mr Leon Perera (Aljunied): I thank the Senior Minister of State for his reply. Just one supplementary question. Before that, I will declare my interest as the chairman of a consultancy that does work in the biomedical space, among other verticals.

I am wondering if MOH is also, in addition to what the Senior Minister of State shared, positioning Singapore as a hub for clinical trials for mRNA cancer treatment and cancer vaccines to the global biopharmaceutical industry, as that may yield some benefits to Singaporean cancer patients.

Dr Janil Puthucheary: I thank Mr Leon Perera for his question. The process of conducting clinical trials is independent of the fact of mRNA vaccines. We have a number of platforms, processes and significant investments in developing the ability to do better and more clinical trials here in Singapore to act as a hub for both the patient selection, as well as the information management and subsequent analysis of these trials.

All trials related to mRNA vaccines and cancer vaccines will be part of that approach.

DATA ON COST INCURRED TO ACCELERATE DEVELOPMENT OF HDB BTO PROJECTS ANNOUNCED TO DATE

19 **Mr Murali Pillai** asked the Minister for National Development in relation to the move to accelerate the development of ongoing and future Housing and Development Board (HDB) Build-to-Order (BTO) construction projects that have been announced to date (a) whether HDB has or will be incurring acceleration costs for these projects; and (b) if so, what is the estimated total amount of the acceleration costs that have or will be incurred and what percentage does it constitute in relation to the total development costs of the projects.

The Senior Minister of State for National Development (Mr Tan Kiat How) (for the Minister for National Development): Mr Speaker, as the construction industry recovers from the COVID-19 pandemic, the Housing and Development Board (HDB) has made steady progress in delivering Build-To-Order (BTO) projects to our home buyers. In January 2023, we have reduced the proportion of BTO projects delayed beyond the Estimated Completion Date (ECD) from about 90% in 2021, to about 40%.

HDB's ongoing and future BTO construction projects that have been announced to date are planned, based on the estimated completion dates indicated during the BTO launches. Notwithstanding efforts made to keep up the supply of BTOs to meet the strong housing demand, HDB has been able to meet these completion dates without incurring acceleration costs.

To reduce construction delays, HDB has been working closely with our contractors and agency partners to put in place extensive measures. These include sourcing for workers overseas for contractors to address manpower shortages and streamlining processes to expedite approvals. Overall, these collective efforts have enabled HDB to deliver more homes to flat buyers thus far and minimise delays without compromising safety and quality.

Mr Speaker: Mr Murali Pillai.

Mr Murali Pillai (Bukit Batok): Sir, may I ask a supplementary question in relation to the expediting of the housing projects, the BTOs? Would the issue of quality be a matter for consideration? Because as we expedite the building of BTOs, one area of concern is whether we can ensure the quality of the BTOs that are being built are of sufficient standards, so as to avoid issues that the hon Member Ms Carrie Tan spoke about just now – ceiling leakages and so on.

Mr Tan Kiat How: Mr Speaker, I would like to assure the Member that safety and quality are two areas that we will not compromise on. Even as we bring forward and we work together very closely with the construction industry – from the main contractor to the sub-contractor to various other partners in specialist trades, for example – in making sure that our BTO projects are proceeding at a steady pace, we are very mindful of the quality of the build and also the safety of the worksites. The last thing we want is for accidents to happen resulting in the unfortunate losses of life.

These are two areas that we will not compromise on: the quality of the build, as well as safety at the worksites.

I would like to assure Mr Murali Pillai on the point about acceleration costs. It is a little bit of a technical term in the industry where we pay the contractor to put in additional resources and, thus, incur additional cost to bring forward and accelerate the completion of their construction contracts.

In this case, we are in a slightly different situation where we are working very closely with the contractors and the builders to ensure that existing projects continue at pace, at a steady stead, per milestone. They have gone through very tough times over the last two and half years – supply shocks, manpower shortages and many other shocks due to situations outside their control; COVID-19, the war in Ukraine and Russia, and so on.

It is a very different situation whereby the contractors actually have the luxury to bring in additional resources by working closely and collaboratively to streamline the processes across the entire build and value chain, to make sure that work continues safely while not compromising on quality.

IMPACT OF INCREASE IN VISITORS FROM CHINA ON SINGAPORE'S RENTAL AND PROPERTY PRICES

20 **Mr Dennis Tan Lip Fong** asked the Minister for National Development what is the current and foreseeable impact caused by the likely increase in the number of visitors from China to Singapore on Singapore's rental and property prices.

The Second Minister for National Development (Ms Indranee Rajah) (for the Minister for National Development): Mr Speaker, non-residents from China, currently, do not account for a large share of property and rental transactions in Singapore. In 2022, non-residents from China accounted for only 1% of all private property transactions and around 7% and 14% of private and Housing and Development Board (HDB) rental transactions respectively. Non-residents are not allowed to buy HDB flats.

We will continue to monitor trends in the property market closely and adjust our policies as necessary to promote a stable and sustainable property market.

SINGAPORE RESIDENTS' TOTAL SPENDING ON E-COMMERCE PLATFORMS AND MEASURES TO SUPPORT LOCAL BUSINESSES

21 **Mr Gan Thiam Poh** asked the Minister for Trade and Industry (a) whether the Ministry tracks the amount of expenditure made by Singapore residents at overseas e-commerce platforms; (b) if so, what is the trend and percentage of the total expenditure by Singapore residents on these overseas e-commerce platforms as compared to purchases made offline locally; and (c) what measures have been taken to support local businesses in the competition against these overseas e-commerce platforms.

The Minister of State for Trade and Industry (Ms Low Yen Ling) (for the Minister for Trade and Industry): Mr Speaker, the proportion of online retail sales has increased over the past few years from about 5.8% in 2019 to about 13.1% in 2022. This only includes sales done through retailers registered with the Accounting and Corporate Regulatory Authority (ACRA). The Ministry of Trade and Industry (MTI) does not track the expenditure made by Singapore residents on overseas e-commerce platforms.

The retail industry has changed significantly with digitalisation and the growth of e-commerce platforms. With the shift to online retail, our enterprises can leverage on e-commerce platforms to access new customers locally and overseas.

We have implemented a range of initiatives to help our businesses adapt and compete. Enterprise Singapore (ESG) supports companies in building their capabilities in data analytics and order fulfilment, getting on board e-commerce platforms, such as Amazon and Qoo10, and developing omni-channel sales strategies. With the help of e-commerce solution providers, we also support enterprises in selling their products on multiple overseas e-marketplaces, so that they can expand their customer base.

For example, ESG provided targeted branding and strategy support to homegrown company Castlery in their expansion into the United States market in 2019. Today, Castlery's international orders account for more than 70% of its revenue, compared to 20% before the COVID-19 pandemic.

In the global marketplace, it becomes even more important for businesses to differentiate their products and position themselves to serve customers better.

For example, ESG supported homegrown company Skin Inc in developing a mobile app that provides customers with personalised diagnoses of their skin condition and recommendations of customised products.

The Government will continue to work with enterprises to adapt and innovate for greater e-commerce potential.

Mr Speaker: Order. End of Question Time. We have finished up all the Parliamentary Questions for Oral Answer. I propose to take an extended break now. I suspend the Sitting and will take the Chair at 3.30 pm. Order.

Sitting accordingly suspended

at 2.40 pm until 3.30 pm.

Sitting resumed at 3.30 pm.

[Mr Speaker in the Chair]

ANNUAL BUDGET STATEMENT

Mr Speaker: Order. The Clerk will now proceed to read the Notice of Motion.

3.30 pm

The Deputy Prime Minister and Minister for Finance (Mr Lawrence Wong): Mr Speaker, Sir, I beg to move, "That Parliament approves the financial policy of the Government for the Financial Year 1 April 2023 to 31 March 2024."

Sir, we have been fighting COVID-19 for more than three years. It has been a long, hard slog, full of unexpected twists and turns, and I thank everyone for your cooperation, hard work and sacrifices.

Through our collective efforts, we have found our way through this pandemic. Yesterday, we reached a new milestone and moved to Disease Outbreak Response System Condition (DORSCON) Green. [*Applause.*]

In parallel, industries that were hardest hit by COVID-19 are seeing continued recovery. Demand has picked up for sectors, like food and beverages (F&B) and retail. Construction activities are back in full swing. Air travel has resumed and Singaporeans are travelling again. Singapore Airlines flights are filling up, pilots and cabin crew are busy flying, and Changi Airport is buzzing with life.

All in all, amidst a very challenging external backdrop, our economy grew by 3.6% in 2022. The resident unemployment rate, at 2.8% in December last year, is below pre-pandemic levels.

At the start of 2022, we had anticipated tightness in energy markets and supply chain bottlenecks.

But the outbreak of the Ukraine war caught many by surprise. Despite it happening halfway across the world, the war set off a chain reaction of shockwaves throughout the global economy. Oil and gas prices shot up; we experienced a global shortage of grain and other food items. Some countries also imposed export bans to secure their own domestic needs, worsening global supply bottlenecks.

Inflation was further fuelled by tight labour markets across many countries, partly because those who left the workforce when COVID-19 hit have not all returned. And companies had to pay higher wages to attract workers, adding to inflationary momentum.

So, as many have observed, 2022 was a year of brutal inflation worldwide. By the end of last year, global inflation was around 9%.

Inflation reached historic levels in many advanced economies – in the United States (US), consumer prices were the highest in four decades; in Germany, they were the highest in nearly half a century.

Singapore, too, had to contend with these inflationary pressures. The Monetary Authority of Singapore (MAS) tightened our monetary policy five times since October 2021. While this has helped ease the pressure on headline inflation, it is still higher than what Singaporeans are used to.

So, to address cost-of-living concerns, I rolled out three packages last year, totalling more than $3.5 billion, extending comprehensive support to Singaporeans, especially the lower- and middle-income groups.

We were able to fund these support packages from stronger-than-expected revenues, especially from corporate income tax and asset-related taxes in FY2022. This additional revenue will also help to cover higher spending in other areas. In particular, the Housing and Development Board (HDB) has ramped up its Build-To-Order (BTO) supply to catch up with the backlog that had arisen from the COVID-19 delays. This means building more flats at a time when construction and land costs have increased, which in turn, requires more funding resources.

In FY2022, we also drew on Past Reserves to fund our emergency COVID-19 public health expenditures. The President had earlier concurred with a draw of up to $6 billion from Past Reserves specifically for this purpose.

Because the public health situation has since stabilised, we now expect to draw a lower amount of up to $3.1 billion from Past Reserves. This brings the total expected draw on Past Reserves from FY2020 to FY2022 to $40 billion. [*Please refer to* ***Annex A-1***.]

This is lower than the initial draw of $52 billion that the Government had sought the President's agreement for. It reflects our prudent approach in using our Reserves – drawing on them judiciously, only when there are compelling reasons to do so.

So, all in all, putting together our revenue upside with our higher spending, we expect a slight deficit of $2 billion, or 0.3% of the Gross Domestic Product (GDP), for FY2022. [*Please refer to* ***Annex A-2***.]

We last drew on Past Reserves during the Global Financial Crisis in 2008. We spent $4 billion in FY2009 and were able to put back what we drew two years later, due to the sharp recovery in the economy and in our fiscal position.

This time, we are in a different position. Our economy has recovered back to pre-COVID-19 levels. But we continue to be in a tight fiscal position. It is, therefore, highly unlikely that we will be able to put back what we have drawn from Past Reserves.

But we will not waver from our commitment to safeguard our Reserves as a key strategic asset. They have helped Singapore to weather major global shocks, prevent high unemployment rates and build up our capabilities, even in the midst of economic downturns.

Other governments spent more during this pandemic too. But they largely financed their additional spending by borrowing, which will eventually have to be repaid by future generations. In contrast, our Reserves allowed Singapore to respond quickly without falling into debt, or burdening, either current or future generations of Singaporeans.

So, we will continue to uphold our practice of fiscal prudence and the principles that underpin the protection of our Reserves.

And this is why it was necessary to raise the goods and services tax (GST) rate – to ensure we have the resources to take good care of our seniors and to keep a balanced Budget over the medium term.

I thank Singaporeans for your understanding of why we must continue to live within our means, and contribute our fair share of revenues and be good stewards of our Reserves for the benefit of all Singaporeans – both now and in the future.

For 2023, the key factor that will shape our growth is the global economy.

For now, the picture is mixed and uneven, because while there are weaknesses in many parts of the world, the International Monetary Fund (IMF) and other economists do not expect a global recession this year. The European Union (EU) is amongst the hardest hit, due to the economic consequences of its exposure to the war in Ukraine. The US is seeing slower growth and may enter a recession, as the Federal Reserve continues to raise interest rates to combat elevated inflation. Even so, many economists expect any contraction to be mild.

Asia is expected to continue growing this year. In particular, the COVID-19 infection wave in China has probably peaked. As China's COVID-19 situation stabilises and it continues to reopen its economy, the pick-up in demand should provide a boost to the global economy.

Overall, based on current indications of global conditions, we expect positive, but slower, economic growth in Singapore of 0.5% to 2.5% this year.

But our economic fundamentals remain strong. Our handling of the pandemic over the past three years has enhanced our reputation as a reliable and trusted node in global supply chains. Our deep relationships with both the US and China, as well as our partners in ASEAN and the wider region, make us a neutral and increasingly important place for global and regional businesses. We will take full advantage of these opportunities to attract new flows of investments, capital, talent and ideas. All these will add vibrancy to our economy and create more good jobs for Singaporeans.

But there are major uncertainties and downside risks to this year's forecast. A greater-than-expected decline in the US and EU economies could tip the world into recession. We may see an escalation of the Ukraine war, or a prolonged conflict and stalemate, leading to new waves of disruptions that further weigh on global trade, as well as consumer and business confidence. We also cannot rule out a new COVID-19 variant that could be more dangerous and virulent.

Whether or when these events will happen cannot be predicted with certainty. But we must prepare ourselves for these risks and be ready to respond to them. We will, therefore, develop drawer plans so that we have the ability and resources to take swift action should these downside scenarios materialise.

Inflation is the other major uncertainty in the global economy and a major concern for the world, and for Singapore.

There are some early signs that global headline inflation rates are softening. But it is premature to declare victory. China's reopening will mean more demand for commodities, especially oil and gas, pushing up prices. And this will come at a time when Europe is still trying to secure more energy supplies. There are also signs of more persistent underlying inflationary pressures, especially with tight labour markets around the world.

We, therefore, have to brace ourselves for a period of relatively higher inflation, both globally and also in Singapore. We cannot say how long this will last, but we expect Singapore's headline inflation to remain high, at least for the first half of this year.

The Government will, therefore, do more to help Singaporeans through this difficult period.

We will help businesses weather the immediate challenges of tighter financial conditions and higher energy prices.

I will extend the current enhancements to the Enterprise Financing Scheme for another year till 31 March 2024. This includes the 70% Government risk-share for trade loans, the enhanced maximum quantum for trade and working capital loans, and support for domestic construction projects via project loans. I hope this will also encourage financial institutions to continue extending credit to viable enterprises.

I will also extend the Energy Efficiency Grant for one year until 31 March 2024. This will provide continued support for businesses in the food services, food manufacturing and retail sectors to invest in energy efficiency, and thereby, reduce the impact of higher electricity prices.

We will also help Singaporeans tide through this period of higher inflation and cushion the impact of the new GST rates.

There are two prongs to the support we provide to Singaporeans. One is the permanent GST Voucher, or GSTV scheme, which helps to permanently defray GST expenses for lower- to middle-income Singaporeans. The second is the Assurance Package (AP), which provides transitional support to all Singaporeans to defray the impact of the higher GST rate.

In last year's Budget, I enhanced the permanent GSTV scheme and increased the number of Singaporeans who benefit from it. I will further enhance the permanent GSTV scheme, so that it continues to meaningfully defray GST expenses for eligible households.

For those residing in homes with annual values of $13,000 and below, I will increase the GSTV Cash quantum from $500 to $700 in 2023, and to a further $850 from 2024 onwards.

For those residing in homes with annual values of above $13,000 and up to $21,000, I will increase the GSTV Cash quantum from $250 to $350 in 2023, and then to $450 from 2024 onwards.

These enhancements to the permanent GSTV scheme ensure that most retirees, as well as lower-income households will not be impacted by the GST rate increase. As I have emphasised previously, under our GST system – which means the GST and the GSTV combined – the more well-off consumers, as well as foreigners and tourists, will bear higher effective GST rates than lower-income Singaporeans. This ensures that those with greater means contribute their fair share of taxes, and will effectively lower the burden of taxes on lower- and middle-income Singaporeans.

On top of the GSTV, we have the AP, to cushion the impact of the GST rate increase on Singaporeans. In November last year, I announced that I would review and update the Package to account for higher inflation. We have completed the review and will make the following enhancements in this Budget.

I will increase the AP Cash by between $300 and $650 for eligible Singaporeans over the remaining years of the AP. This will bring the total AP Cash payments received by adult Singaporeans to between $700 and $2,250 over five years.

I will increase the Community Development Council (CDC) Vouchers by $100 in 2024. So, all Singaporean households can look forward to another $300 of CDC vouchers in January next year.

These enhancements to the AP will enable us to maintain the commitments we had set out earlier, which is to offset additional GST expenses for at least five years for the majority of Singaporean households, and for about 10 years for the lower-income households.

But I recognise that many Singaporeans are still concerned about the immediate cost-of-living issues. I will, therefore, introduce additional one-off support measures this year under the AP.

I will provide a Cost-of-Living Special Payment of between $200 and $400 for each eligible adult Singaporean.

I will provide additional support for seniors and extend a Cost-of-Living Seniors' Bonus of between $200 and $300 for eligible Singaporeans aged 55 and above.

I will also double the U-Save Rebates provided to households over the next three tranches of disbursement this year. In total, eligible households can expect to receive up to $760 in U-Save Rebates this year.

For households with children, I will provide each child aged six and below a top-up of $400 to their Child Development Account (CDA), and each older child a top-up of $300 to their Edusave account or Post-Secondary Education Account (PSEA).

These enhancements to the AP – all the enhancements I mentioned just now, both the one-off and the earlier ones – will cost $3 billion. So, the total amount of the Package will increase from $6.6 billion to $9.6 billion.

With the enhancements to the GSTV scheme and AP, I would have provided comprehensive help for the majority of Singaporean households this year. On average, for lower-income households, the enhancements will fully cover the increases in spending due to inflation and the GST rate increase. For middle-income households, the enhancements will substantially cover their increases in spending.

Let me illustrate what Singaporeans can expect from these measures. A lower-income family with two young children will receive about $5,500 in benefits this year. This includes cash, Government top-ups to the CDA for their children, MediSave top-ups, USave and Service and Conservancy Charges (S&CC) Rebates and CDC Vouchers.

Help will also be extended to middle-income households. And we have ensured that larger households, particularly those with seniors and children staying together, will receive more support. For example, a six-person middle-income household with two seniors and two school-going children will receive about $8,400 in benefits this year.

The full details of the enhancements to the GSTV scheme and AP are in the Annex to this Budget. [*Please refer to* ***Annex B-1***.]

The updates to the AP reflect the commitment of this Government to help Singaporeans through this challenging period of higher prices. We provided comprehensive support last year, and we are doing so again this year. But I hope all Singaporeans understand that it is not fiscally sustainable to rely so heavily on Government support year after year, to cope with inflation.

The reality is that even after the current inflation surge moderates, inflation may stabilise at a higher trend level globally, and in Singapore, higher than what we were used to in the last few decades. The era of untrammelled globalisation that kept goods at highly competitive prices all over the world is over. Countries are now relooking and adjusting their supply chains. Instead of buying from the cheapest, they are prepared to accept lower efficiency and higher costs to prioritise diversification and strategic resilience. These trends are pushing up inflation everywhere, including Singapore.

We do not have much influence over this global inflation picture. But our best strategy to cope with inflation is to make ourselves more productive and competitive – so that workers earn more, and the increase in earnings can more than make up for the higher prices. Indeed, this was what happened last year – real incomes grew by 2.0% for the median worker and by a higher 4.7% for a worker in the 20th percentile. So, despite higher prices, we are still better off in real terms.

We must, therefore, press on with economic restructuring and transformation, help businesses raise their productivity and help workers upgrade their skills at every opportunity.

Sir, this Budget is about building our capabilities and seizing new opportunities in a new era of global development. The geopolitical context has shifted significantly. Great power contestation has intensified, most notably between the US and China. This has profound implications for the world.

For the last three decades since the end of the Cold War, the world has benefited from global economic integration. Countries everywhere embraced openness in global commerce. Multinational Enterprises, or MNEs, developed their supply chains based on the most cost-efficient configurations around the world.

But now, businesses are reorganising themselves to account for once-unimaginable tail risks, including geopolitical risks. More and more MNEs are looking to reshore, onshore, or nearshore – that is, relocating factories and offices to places where they are less likely to get caught up in geostrategic crossfires.

Governments in the developed world are also embracing more muscular industrial policies. Despite their macroeconomic policies being generally accommodative over the past decade, growth in many of these advanced economies has been sluggish. Incomes of middle-earners have stagnated and unemployment rates are high. They are, therefore, looking for ways to rebuild their manufacturing capabilities and create jobs for their people.

The US, in particular, is determined to establish a clear technological lead over China, especially in critical industries like semiconductors and green energy. It has banned the flow of high-end chips and chipmaking to China, and is engaging its allies around the world to do the same. China, in turn, is investing in its own "little giants" to achieve technological self-reliance. We are seeing a huge contest for leadership in key technologies, which is likely to escalate with time.

All this is setting off a dangerous dynamic towards greater economic nationalism and protectionism around the world. Governments are stumping out more aggressive support, in the form of tax breaks and subsidies, to anchor "strategic" industries. The major powers increasingly view economic matters through the lens of national security. Sanctions, investment prohibitions and export controls are just some of the tools that they are using to safeguard national security.

In short, we must expect to see greater contestation and fragmentation in the global economy. Countries are thinking less about mutual benefit and interdependence, and more about national gain and security. An era of zero-sum thinking has begun. It will be a world that is less hospitable to small economies like Singapore, which have long thrived on an open, rules-based multilateral system.

We, therefore, cannot assume that we can continue to be successful by doing the same things as we have in the past. We will need to adjust to this new era, reposition our economy and refresh our social compact for the future.

This is not the first time that we have had to adapt to changes in the world. And it will certainly not be the last. We have done it many times before, through many crises. Each time, we emerged with a stronger economy and a more united people. And I am confident we will do it again.

The key to our success is the trust we have in one another, and our solidarity and unity as a nation. This year marks the 100th anniversary of the birth of Mr Lee Kuan Yew. I remember reading what he had said in 1967, soon after the turbulent period of Singapore's Independence. He said, and I quote: "There is tranquillity, poise and confidence in Singapore. And it is a confidence born out of the knowledge that there are very few problems which we cannot overcome… [for] our people's natural industry and talent will continue to blossom and flourish and generate prosperity for all."

Indeed, there are very few problems we cannot overcome when we apply ourselves as one people. It is up to us to overcome the problems we face, to improve on what we have today and to build the Singapore we want for tomorrow. This is why I am glad that many Singaporeans have stepped forward to join us in the Forward Singapore exercise, sharing with us their aspirations and concerns, and joining hands and hearts to create our new social compact together.

Our engagements so far have affirmed the shared purpose and values that underpin our social compact. We aspire to be a fairer and more inclusive society, and a kinder and more gracious Singapore – one where we value one another for who we are, share the responsibility of supporting each other and uphold our sense of identity in a harmonious, multiracial and multi-religious nation.

To achieve these shared aspirations, the Government is pursuing new strategies in a few key areas.

How we can continue to uplift the wages of those at the lower end of the income distribution and sustain real income growth for workers in the broad middle.

How we can support workers, especially those who are displaced, with a better system of reskilling and upskilling, so that they can be retrained and placed into new jobs, and bounce back from setbacks in life.

How we can give everyone opportunities throughout their lives to uplift themselves, so that the circumstances of birth will not determine how far they go, and we can keep social mobility alive and well in Singapore.

And how we can better look after our growing number of seniors – not just their medical and retirement needs, but also their care and living arrangements, so that they can age in place with grace, dignity and security.

These are important but complex issues which require further exploration. We aim to complete the Forward Singapore exercise in the second half of this year. It is not just a matter of having the Government do more to provide greater assurance and support. We will make changes and intervene boldly where there is a need to do so.

But Government actions must reinforce the values of personal effort, responsibility for the family and mutual support in the community. These are values that keep our society strong and enable our people to stand with pride and contribute to society. At the same time, we must ensure that any additional spending can be funded and sustained well into the future, so that we do what is right not just for today, but also for future generations.

That said, there are several pressing issues that have emerged in our conversations, which we will address in this Budget. We know that long wait times for new flats and rising resale home prices are key concerns for many young Singaporeans – we had a long discussion and debate about this in Parliament last week. We also want to help parents better balance their work and family commitments, and look after their children. So, we will move sooner on specific measures to support young, married couples and create a more conducive environment for families.

The Budget this year is, therefore, part of a broader exercise to chart our new way forward together and it is centred on three key thrusts to secure our future in a new era.

We will grow our economy, equip our workers and provide a fuller range of opportunities for everyone to advance in life.

We will strengthen our social compact and provide better support for families, seniors and vulnerable groups.

We will build up our collective resilience, so that we are able to bounce back strengthened from external shocks and setbacks. Let me go through each of these thrusts in turn.

Sir, economic competition will get stiffer in this new era where countries compete for power and influence. Singapore will have to adapt quickly to these changes, to survive and prosper in a troubled world.

We will, therefore, redouble our efforts to attract high-quality investments. We will focus on growth sectors where we can be highly competitive. For example, we are a leading international financial centre in Asia. We are a global trading hub with strengths in transportation and logistics, anchored by our air and sea ports. We also have a vibrant manufacturing sector, supported by key segments like electronics, chemicals and biomedical science.

These attributes and strengths will enable us to attract more multinational enterprises (MNEs) to anchor their regional, or even their global operations and headquarters in Singapore. With more high-value activities and best-in-class facilities based here, we will be able to build new capabilities, develop key industries and create good jobs for Singaporeans. We will also create spin-offs for our local enterprises as they serve the MNEs based here, plug into global networks and, eventually, grow to become industry leaders in their own right.

But we must expect global competition for investments to get tougher. With the Base Erosion and Profit Shifting initiative, or BEPS 2.0, on the horizon, we will have less scope to use tax incentives to attract new investments. Meanwhile, the US and other countries are rolling out vast subsidies to build up their strategic industries. It will not be possible for us to outbid these countries with even bigger subsidies just to get their MNEs to invest here. But neither can we afford to be complacent and simply take our competitive position for granted.

We will, therefore, have to work harder to enhance our overall productivity and workforce quality to stay competitive in this new environment. We currently have the National Productivity Fund (NPF), which supports a wide range of measures for productivity enhancement, and continuing education and training (CET).

I will top up the NPF with $4 billion and expand the scope of the Fund to include investment promotion as a supportable activity. We will use the Fund to anchor more quality investments here. This includes supporting companies to build new capabilities, add greater value to our domestic ecosystems and upskill our workers. Ultimately, these efforts will lead to better paying jobs for Singaporeans.

Besides anchoring investments and deepening capabilities, we must nurture and sustain pervasive innovation across the economy. We have to push new frontiers and differentiate ourselves in quality and value.

This is why the Government has consistently committed resources to research and development (R&D). We are investing $25 billion from 2021 to 2025 to catalyse research, innovation and enterprise. We are restructuring and raising our game, industry by industry, through the Industry Transformation Maps (ITMs).

Our efforts are bearing fruit. But innovation is not without risk, which businesses may find more difficult to take, amidst slower growth and higher cost.

So, to help our businesses press on with innovation, I will introduce a new Enterprise Innovation Scheme (EIS). This scheme will significantly enhance the tax deductions for five key activities in the innovation value chain:

(a) R&D conducted in Singapore;

(b) Registration of intellectual property, including patents, trademarks, and designs;

(c) Acquisition and licensing of intellectual property rights;

(d) Innovation carried out with polytechnics and Institute of Technical Education (ITE);

(e) And training via courses approved by SkillsFuture Singapore (SSG) and aligned to the Skills Framework.

Today, businesses can enjoy tax deductions of up to 250% of qualifying expenditure on some of these activities. I will raise the tax deductions to 400% of qualifying expenditure on each of these five activities. The qualifying expenditure will be capped at $400,000 for each activity, except for innovation carried out with polytechnics and ITE, for which the expenditure will be capped at $50,000. With these enhancements, businesses that make full use of the scheme could enjoy tax savings of nearly 70% of their investment.

Some firms have yet to turn profitable, or do not have sufficient profits to maximise the benefits from the tax deductions. To cover these firms, I will allow businesses the option to convert 20% of their total qualifying expenditure per Year of Assessment into a cash payout of up to $20,000. This will help smaller firms defray the costs of their innovation activities, even if they pay little or no taxes. [*Please refer to* ***Annex D-1****.*]

As our companies grow, we will support them in accessing capital to scale up and be globally competitive.

A key part of this effort is to strengthen our enterprise financing ecosystem, so that promising firms can tap on a wide range of private equity and venture capital funds, as well as financing from other financial institutions based here. The Government has also been mobilising investments in SMEs through Heliconia Capital, which deploys equity financing to SMEs and catalyses additional growth capital from the private sector.

To date, we have committed $1 billion to this effort and invested in about 60 Singapore-based companies. This has, in turn, catalysed around $2 billion of additional investments into these companies.

The total revenue of this portfolio of companies has more than doubled after this investment, and over half of them have developed new capabilities or expanded beyond Singapore.

Given the positive outcomes, I will set aside an additional $150 million via the SME Co-Investment Fund. We will use this to invest in promising SMEs and we will also aim to catalyse an additional $300 million of private investments to support our SMEs.

We are also developing a healthy pipeline of enterprises with a strong track record of international success and the potential to move to the next level.

One example is Mooreast, which I visited recently. The company provides specialised anchor and mooring solutions for the offshore and marine, or the O&M, sector. We all know what a floating rig is; we do not always see what lies under a floating rig. But good design, engineering and manufacturing capabilities are needed to customise mooring solutions for very different seabed and offshore conditions. And Mooreast, a homegrown company, is now one of the top three global players in this niche area. But it also recognises the long-term challenges of the O&M industry.

And so, the company is now diversifying and applying its capabilities in the offshore renewable energy market. It has already secured contracts to provide the anchors for offshore wind turbines in Japan and Europe. And there should be many more opportunities to come, with the growing global demand for offshore wind and other renewable energy projects. [*Please refer to **Annex D-2**.*]

We will do more to help promising companies, like Mooreast, grow into globally leading companies. In last year's Budget, I introduced the Singapore Global Enterprises (SGE) initiative to provide such companies with more dedicated and customised support. I will now set aside $1 billion to provide a further boost to this initiative.

Promising companies will be offered specialised capability building programmes tailored to their needs. This could involve working with experts to strengthen the core leadership team, accelerate their internationalisation plans and build a strong talent pipeline.

Enterprise Singapore will also support them to secure resources to execute their growth plans, and to build sustained research and innovation capabilities so they can strengthen their value proposition and stay competitive.

The EIS, the boost to the SME Co-Investment Fund and the SGE initiative are part of a wider suite of Government measures to help nurture and develop our enterprises. So, I encourage all our companies, big and small, to make full use of these measures to innovate and grow.

Ultimately, the value we create as an economy must benefit Singaporeans in the form of wage growth and job opportunities.

And this is why we have invested and will continue to invest heavily in our people. Through SkillsFuture, we are providing strong support for both employers and individuals to invest in upskilling. The results so far have been encouraging. But we will have to do more and shift our efforts into higher gear, as we enter an era of greater volatility and economic disruptions.

As part of the Forward Singapore exercise, we are studying several policy moves to further strengthen our SkillsFuture ecosystem and to enhance support for displaced workers and improve pathways to better jobs. In this Budget, I will focus on ensuring that training translates into good employment outcomes.

We all know that it is good to have more skills training. But training programmes can vary in quality. Some lead to recognised certifications or help workers gain specialised skills that are sought after by industry, but others may not be so relevant to industry needs.

Workers themselves may not know what training programmes to go for or what competencies and skills they need to secure better jobs.

Employers, especially amongst the SMEs, may also be unfamiliar with the training landscape and often struggle to fill vacancies despite available jobseeker pools.

There is, therefore, a need to develop labour market intermediaries who can work with industry, training and employment facilitation partners to optimise training and job placement. So, we will appoint and equip Jobs-Skills Integrators to do this work. The Integrators can be existing institutions, but they will have new responsibilities and outcomes to deliver.

For example, the Jobs-Skills Integrators will have to engage enterprises to understand the manpower and skills gap in the industry.

They will have to work with training providers to update existing training programmes or develop new ones that will close the skills gap.

They will also have to work closely with employment facilitation agencies, get buy-in from industry partners and unions, and identify individuals with the right aptitude and fit for training. Most importantly, they must ensure that training translates into better employment and earnings prospects.

We will pilot the Jobs-Skills Integrators in the precision engineering, retail and wholesale trade sectors, where there are higher concentrations of mature workers and SMEs. And the Minister for Education will share more about this at the Committee of Supply (COS).

We will also continue to provide additional employment support for senior workers who wish to continue working.

We have made several moves in this area, for example, raising the retirement and re-employment ages, providing wage support through the Senior Employment Credit and supporting employers who offer part-time work. Many seniors have benefited from these schemes.

One example is Mr Rahmat Hamid, who is 62 this year. He retired after nearly 40 years in the hotel and F&B industries, as his children were all grown up. But he soon found that he wanted to continue working and, importantly, to contribute to society. He tried out initially as a security officer, but decided he really wanted to do something to help the elderly. So, he applied for a job as a cleaner at All Saints Home, which is a senior daycare facility. And when All Saints Home saw that Mr Rahmat had valuable people management skills, they offered him a role instead as a community care associate – different from what he had applied for. This is a much better fit for Mr Rahmat. He is now able to put his skills to good use, and he continues to learn new skills to interact with and take care of his clients. [*Please refer to* Annex D-2.]

We want to encourage and support employers who recognise the value that seniors like Mr Rahmat offer, invest in them and enable them to keep earning a good living. I will, therefore, extend the Senior Employment Credit till 2025, to continue providing wage offsets to employers that hire senior workers. I will also extend the Part-time Re-employment Grant till 2025, to encourage employers to offer part-time re-employment, other flexible work arrangements (FWAs) and structured career planning to senior workers. The Minister for Manpower will share more details at the COS.

At the same time, we will continue to help lower-wage workers achieve better career progression and wages.

We made several major moves last year: we expanded the Progressive Wage Model to more sectors and occupations, and we required companies that employ foreign workers to pay all local employees at least the Local Qualifying Salary.

Taken together, these moves cover the vast majority of lower-wage workers and will help to uplift their wages.

To provide transitional support for businesses, I introduced the Progressive Wage Credit Scheme, or PWCS, at last year's Budget. And last June, I raised the Government's co-funding share for the 2022 PWCS. I will maintain the increase for this year and top up the PWCS Fund by $2.4 billion for this purpose. [*Please refer to* ***Annex D-3***.]

I will also do more for specific groups of workers who may need more help to secure employment. To support employers to hire persons with disabilities, or PwDs, I will enhance the Enabling Employment Credit to cover a larger proportion of wages and a longer duration for PwDs who have not been working for at least six months.

We know many PwDs want to work and, if given the chance, have valuable skills to offer. As a society, we should give them the opportunity to do so.

I will also introduce a new Uplifting Employment Credit in the form of a time-limited wage offset to encourage firms to employ ex-offenders. More details on these schemes will be shared by the Minister for Manpower at the COS, and we will review the outcomes in 2025.

In the end, financial incentives are just one way we support PwDs and ex-offenders. We also need dedicated efforts on the ground, through organisations like SG Enable, Yellow Ribbon Singapore and their community partners, as well as close cooperation with employers to provide meaningful job opportunities for PwDs and ex-offenders.

The moves I have outlined represent a major investment in our enterprises and people – from SMEs to large companies and workers across various life stages and different forms of employment. We are doing this so that our workers and businesses can be well prepared for the future, with all its uncertainties, challenges and opportunities.

I encourage employers and workers to make the most of the support that the Government is offering. Upgrade your businesses; invest in innovation and training; reskill and upskill to stay competitive and seize new opportunities. This is how we will continue to achieve quality growth in an economy that works for all.

Even as we grow our economy and equip our workers, we will also invest significant resources to strengthen our social compact. We will do so in three key areas: strengthening families, tackling the related issues of inequality and social mobility, and providing better care for a rapidly ageing population.

I will start with families, which form the bedrock of our society and are the anchors of emotional, social and financial support for all of us.

Many young Singaporeans aspire to get married and have children. One such couple is Mr Prab Nathan and Ms Saraswathy Arumugam. They have a two-and-a-half-year-old daughter and recently welcomed a new addition to their family. As young parents, they have many exciting plans for their family, but they also have their share of concerns and stresses. So, in this Budget, we will step up support for young couples like them and help them realise their aspirations in a "Singapore Made for Families".

First, we will do more to support the housing aspirations of young Singaporeans.

HDB already sets aside the bulk of its BTO flat supply for first-timer families, who are given priority for their flat applications. But the first-timer category today covers a wide range of applicants. For example, those who already have their own homes, but have not received housing subsidies before, are also considered first-timers.

Given this wide range of first-timer applicants, and the current tightness in BTO supply, we should identify and provide more support to specific groups. We will, therefore, focus on first-timer families with children, as well as young married couples aged 40 years old and below, who are buying their first home. We will do more to help such families secure their BTO flats in a timely manner, including by giving them an additional ballot for their BTO flat applications. This will be implemented later this year. More details will be provided by the Minister for National Development at the COS.

Some Singaporeans are prepared to buy resale flats for their first homes, but they find the resale prices today too expensive. We have implemented cooling measures to moderate demand in the resale market. The launch and completion of more BTO projects over the next few years will further ease demand and prices for resale flats.

I will also provide more support for first-timer families to purchase resale flats. I will increase the Central Provident Fund (CPF) Housing Grant by $30,000 for eligible first-timer families purchasing 4-room or smaller resale flats and by $10,000 for those purchasing 5-room or larger flats. Eligible first-timer families purchasing resale flats will qualify for this increased CPF Housing Grant with immediate effect. The additional grant amount will be credited into their CPF account from April this year onwards. Together with the Enhanced CPF Housing Grant and the Proximity Housing Grant, eligible families can receive up to $190,000 in grants when buying a resale flat. [*Please refer to* ***Annex E-1***.] [*Applause.*]

Second, I will do more to support parents with the costs of raising their children. The Government already has a generous set of measures, including the Baby Bonus Scheme, significant preschool and education subsidies, and tax benefits like the Parenthood Tax Rebate and Working Mother's Child Relief (WMCR).

Some of these schemes need to be adjusted, to ensure that more support is given to those with greater needs.

For Singaporean children born or adopted on or after 1 January 2024, I will change the WMCR, from a percentage of the mother's earned income to a fixed dollar relief. This will take effect from the Year of Assessment 2025. So, for Singaporean children born or adopted before 1 January 2024, there is no change to the WMCR that their eligible working mothers can claim.

With this change, eligible working mothers in the future will claim the same amount of tax relief for a child in the same child order: $8,000 in tax relief for her first child, $10,000 for her second child and $12,000 each for her third and subsequent child.

Effectively, this will provide more Government support for eligible lower- to middle-income working mothers.

We will also lapse the Foreign Domestic Worker Levy Tax Relief for all taxpayers from the Year of Assessment 2025. This is because we already have a Migrant Domestic Worker Levy concession, which provides more targeted support for families who need help caring for their dependants, including young children below 16 years old.

While we make these adjustments, I will, at the same time, significantly increase financial support in the child's early years.

I will increase the Baby Bonus Cash Gift by $3,000 for all eligible Singaporean children born from today onwards. [*Applause.*]

Eligible first- and second-born children will receive $11,000 instead of $8,000. And for the third child onwards, the Baby Bonus Cash Gift will be increased from $10,000 to $13,000.

Currently, the Baby Bonus Cash Gift is disbursed in five instalments over the child's first 18 months, to help defray child-raising costs during infancy.

I will restructure the disbursements, so that they are paid out over a longer period. Eligible parents can expect up to $9,000 in payouts in the first 18 months of a child's life, as well as $400 every six months starting from when the child is two until the child turns six-and-a-half years old.

In this way, parents can receive continuous support all the way until their child enters primary school.

For eligible Singaporean children born from today, I will also increase the Government contributions to the CDA, which their parents can use to directly offset preschool and healthcare expenses.

I will increase the First Step Grant from $3,000 to $5,000. This is automatically credited into the CDA and parents can immediately benefit from it once they open the account.

I will also increase the Government co-matching cap for the CDA. Today, the Government co-matches every dollar that parents save in the CDA, up to a cap of $3,000 and $6,000 for the couple's first and second child, respectively. I will increase these co-matching caps by $1,000 each, to $4,000 for the first child and $7,000 for the second child.

To cater sufficient time for the required legislative and system changes, the actual enhancements to the Baby Bonus Cash Gift, CDA First Step Grant and CDA co-matching caps will be made available from early next year. The disbursements and enhancements will be made available from early next year. We will notify parents when they can make the additional deposits into their child's CDA to enjoy the enhanced Government co-matching.

The changes I have just described apply, as I mentioned, to eligible Singaporean children born from today. Some may ask, "How about those born earlier?"

In fact, at the height of the pandemic, the Government had provided a one-off Baby Support Grant of $3,000. This was for children born from 1 October 2020 to 30 September 2022. So, to ensure we do not miss out on some new parents, I will extend the Grant to babies born from 1 October 2022 to 13 February 2023. [*Applause.*]

So, to all young married couples: whether you already have a newborn, or are expecting a baby, or plan to have a baby, we have something to help you in your parenthood journey.

Third, we will better support parents in managing their work and family commitments.

Here, a key component is FWAs. We have been encouraging employers to adopt the voluntary Tripartite Standard on FWAs and to make these arrangements more pervasive. We will implement these Tripartite Guidelines by next year, which means that employers will be required to consider staff requests for such FWAs fairly and properly.

We will also strengthen our leave provisions for parents of infants. Currently, eligible working fathers of Singaporean children are entitled to two weeks of Government-Paid Paternity Leave. When we introduced this 10 years ago, take-up rates were low. But over time, the situation has changed. Today, more than half of our fathers take paternity leave.

I am heartened by this trend. We should all be. Because many studies, internationally and in Singapore, have shown that children with more involved fathers have better physical, cognitive and emotional developmental outcomes.

I will, therefore, double the Government-Paid Paternity Leave from two weeks to four weeks for eligible working fathers of Singaporean children born on or after 1 January 2024. [*Applause.*]

For a start, the extra two weeks will be given on a voluntary basis. This is so that employers who are ready to grant the additional leave will be reimbursed by the Government. And this is also to give more time for employers to adjust, especially taking into account the existing economic conditions and manpower and operational challenges that many employers face.

But we will review this over time and intend to make this mandatory in due course.

With the doubling of paternity leave, I hope the message is clear: we want paternal involvement to be the norm in our society and we will stand behind all our fathers who want to play a bigger role in raising our children. [*Applause.*]

I will also increase Unpaid Infant Care Leave for each parent in the child's first two years, from the current six days per year to 12 days per year. This will give parents more time to bond with and care for their newborn, or to settle caregiving arrangements.

All parents of Singaporean children will be eligible for this additional time-off if they have worked with their employer for a continuous period of at least three months. This, too, will apply from 1 January 2024 onwards for eligible working parents with Singaporean children aged under two years old.

Taken together, these enhancements will increase parental leave for a working couple from 22 weeks to up to 26 weeks in their child's first year.

The enhancements to the Baby Bonus Cash Gift, CDA, and leave provisions will cost the Government an additional $240 million per birth cohort of children. I hope this will provide greater assurance to parents and parents-to-be as they think about starting and raising their families in Singapore. [*Please refer to* ***Annex E-2****.*]

On top of broad-based support for families, we prioritise additional support for lower-income families – to help them achieve stability, self-reliance and social mobility, so that they can have dignity and aspire to a good future in Singapore.

We are making progress on these fronts. Our income inequality, as measured by the Gini coefficient, has been steadily declining, as a result of deliberate policy moves like the Workfare Income Supplement, PWM and Silver Support Scheme.

But helping lower-wage workers get better incomes is just one part of the equation. We know that the issues that lower-income individuals and families face are complex and multi-faceted. We, therefore, need a family-centric approach to provide these families with holistic and comprehensive support, and help them make lasting changes in their lives.

Last year, I spoke about taking such an integrated family-centric approach through ComLink. We have since rolled out ComLink as a nationwide platform to serve 14,000 families with children living in rental housing. We also have volunteer befrienders journeying together with the ComLink families to encourage and support them in achieving their goals. The befrienders work closely with officers from the Social Service Offices, or SSOs, which coordinate family interventions at the backend, such as access to programmes and schemes.

We will now take a further step to better integrate the common functions across the different programmes in Government that support lower-income families. The SSOs will deliver these functions, and bring partners together to work in tandem, coordinating and integrating all the efforts for maximum effect. The Minister for Social and Family Development will share more at the COS.

A critical source of support for many lower-income families is delivered through our social assistance schemes like ComCare, which help families meet their basic living expenses and work towards achieving stability and self-reliance. Part of the monies that fund ComCare come from the investment income from the ComCare Endowment Fund. To ensure that the Fund is able to provide the necessary support to our lower-income families in this high-inflation environment, I will top up the Fund by $300 million.

Beyond inequality, we must also sustain social mobility across generations. In particular, we know that the first few years matter greatly in shaping a child's potential in life. So, we must do more to close the early gaps in our children's lives.

We have made some progress through initiatives like KidSTART, which provides upstream support for pregnant mothers and young children in lower-income families. KidSTART's preliminary outcomes are encouraging. There are some early indications that KidSTART children had better preschool attendance than their peers of similar socio-economic backgrounds. Parents and caregivers on the programme also said that they were better supported in their parenting journey.

To support more lower-income families with their children's early development, we will scale up KidSTART nationwide. We expect to support 80% of eligible children in lower-income families, starting from the children born this year.

We have also made significant investments in the early childhood sector. Over the last decade, our spending on the early childhood sector has grown to six times its original size, from $320 million in FY2013 to about $1.9 billion in FY2022. Lower-income families now pay as little as $3 a month for full-day childcare in an Anchor Operator preschool.

These investments have had an impact. The preschool enrolment rate of children aged five to six years old residing in public rental flats is now comparable to the national average. But for children aged three to four years old residing in public rental flats, the preschool enrolment rate is 80%, lower than the national average of about 88%.

So, we will continue to provide additional assistance to lower-income families and reach out to them to facilitate their children's preschool enrolment. At the same time, over the next two years, we will work with Anchor Operators to create 22,000 more full-day childcare places and expand the number of Ministry of Education (MOE) Kindergartens. This will help support higher preschool participation rates across the board, and especially among lower-income families.

At the other end of the demographic spectrum, Singapore is one of the fastest-ageing nations in the world. By 2030, one in four Singaporeans will be aged 65 and above, up from one in six today. While many are living longer, some do spend their final years in ill health. This, coupled with smaller household sizes, will mean an increased burden of care for families.

Nursing homes are suitable for the elderly with high-care needs and little to no family support, but we cannot rely on this as the mainstream solution. In fact, many seniors themselves prefer to be cared for in the community and to grow old in an environment that is familiar to them, surrounded by their loved ones. We will, therefore, need to review and update our approaches to aged care – to ensure seniors live as much of their lives in good health as possible and have ample options to age in the community.

Our first line of defence is that of preventive care. And that is why our priority is to support seniors to take care of their own health, including by remaining physically and mentally active, and staying engaged in their communities.

And that is why we have introduced Healthier SG, as an empowering strategy, so that seniors can take preventive care steps together with their doctors and community partners to improve their health. This will enable seniors to keep chronic illnesses at bay, or if they do contract them, to detect the diseases early, so that these can be kept under control.

The refreshed Action Plan for Successful Ageing, launched last month, supports Healthier SG by setting out a comprehensive set of initiatives for seniors to better care for themselves, continue contributing and stay connected.

But for seniors to stay active and healthy, or to better manage their existing chronic illnesses, they will need stronger support in the community, outside of hospitals and clinics. As part of the Forward Singapore exercise, we are studying how we can enhance the range of care and support options within the community. This includes reviewing the operating model of Active Ageing Centres and examining how we can better strengthen and coordinate the providers in the aged care sector, which is highly fragmented today.

In the meantime, we will increase the resources dedicated to supporting seniors, especially lower-income seniors, with their long-term care and healthcare needs.

I will top up the ElderCare Fund by $500 million to support means-tested subsidies for seniors who need home-based, centre-based or institutional care.

I will also top up the MediFund by $1.5 billion to strengthen the safety net for lower-income individuals and seniors facing financial difficulties with their medical bills, even after Government subsidies, MediShield Life and MediSave.

As our population ages, we will also have to address the retirement needs of Singaporeans. We have enhanced the CPF system over the years, such as through Workfare and extra interest on lower CPF balances. We now have Silver Support to supplement the retirement income of seniors who had low incomes in their working years. And we also encourage family members with more means to top up their loved ones' CPF through tax reliefs and matching grants.

We are considering what more we can do to enhance retirement adequacy in our Forward Singapore deliberations. Meanwhile, in this Budget, I will make several moves to help specific segments. In particular, the Government had earlier convened the Advisory Committee on Platform Workers to look into strengthening protections for Platform Workers, including improving their housing and retirement adequacy.

The Government has accepted the Committee's recommendations, one of which was to align the CPF contribution rates of Platform Workers and Companies with those of employees and employers over a period of five years. Platform Workers who are below 30 years old when the changes are implemented will be required to make increased CPF contributions. Platform Companies will also be required to pay

CPF contributions for these Platform Workers.

These changes will help Platform Workers raise their total earnings and strengthen their housing and retirement adequacy. But in the short term, they will affect the take-home pay of these workers. I will, therefore, introduce additional support to help lower-income Platform Workers cushion the impact.

For the first four years after implementation, I will provide a CPF Transition Support to lower-income Platform Workers who see an increase in their CPF contribution rates. More information on this Transition Support is in the Annex and the Minister for Manpower will also share more at the COS. [*Please refer to* ***Annex E-3***.]

We will also make some CPF adjustments for older workers, in line with the recommendations of the Tripartite Workgroup on Older Workers. We implemented the first increase in CPF contribution rates for senior workers in 2022 and the second increase earlier this year. For these two increases, the Government had provided employers with a CPF Transition Offset to alleviate the increase in business cost. We will continue with the next increase in CPF contribution rates in 2024 and, likewise, provide employers with a similar offset.

In addition, I will increase the minimum CPF monthly payout for seniors on the Retirement Sum Scheme to $350 a month.

I will also help middle-income Singaporeans save more for their retirement by raising the CPF monthly salary ceiling. The CPF salary ceilings were last raised in 2016. To keep pace with rising salaries, we will raise the monthly salary ceiling from $6,000 to $8,000 in 2026. We will phase in the increases over four years, starting from this year, to allow employers and employees to adjust to the changes. [*Please refer to* ***Annex E-4***.]

Mr Speaker, Sir, the measures in this Budget are one step in our overall efforts to strengthen our social compact and to build a fairer and more inclusive society. We still have more to do and will continue this important work as part of Forward Singapore.

In a world characterised by greater uncertainties and volatility, we need to build a more resilient Singapore. We have kept an eye on resilience throughout our nation-building journey, but we are entering a new era where disruptions will likely happen more frequently. So, we will have to consider additional redundancies and safety buffers that we can fall back on during a crisis.

Having such buffers does not mean that we will not suffer damage when hit by a shock, but it will enhance our ability to absorb the shock, rebound from the crisis and emerge stronger from it. At the same time, we should recognise that building resilience comes at a price.

For example, diversification means buying from multiple sources. But this also makes things more expensive, because we are no longer buying only from the cheapest source. The stockpiles of food and essential items will require space and will need to be maintained. Even if a crisis does not materialise or is less severe than expected, such costs still need to be funded.

The Government will spend more on resilience, but we also need to be judicious in how we use public monies to secure effective and enduring improvements in our national resilience.

One key strategy is to build strong organisational capabilities to respond quickly and effectively during crises. For example, learning from the experience in Severe Acute Respiratory Syndrome (SARS), we set up the National Public Health Laboratory and the National Centre for Infectious Diseases. These new capabilities proved critical in treating, managing and fighting the COVID-19 pandemic.

During this pandemic, the outbreak in the migrant worker dormitories was a major challenge. We had to draw on resources from the Singapore Armed Forces (SAF), the Home Team and other Government agencies. Learning from this, we have set up the Assurance, Care and Engagement Group, or the ACE Group, under the Ministry of Manpower (MOM), and we have built up its capabilities to monitor the situation in our migrant worker dormitories and provide better care and support for our migrant workers. This is just one example of how we continue to build up organisational capabilities within the Public Service to deal with crises and emergencies.

But there are also limits to how much we can grow headcount in the Public Service, especially with slower growth in our resident labour force. That is why we will continue to adjust our resources and manpower – to do less in some existing areas where the needs have come down and to reallocate the funds and headcount to new priority areas.

During the pandemic, we also had to mobilise and cross-deploy public servants for various crisis roles, for example, to help with contact tracing or the manning of call centres. We are, therefore, looking at how we can put in place a more comprehensive system for such training and cross-deployment, based on the expertise and skillsets of our officers.

Beyond the Public Service, we will need to tap on the capabilities of the private and people sectors.

Indeed, we saw many excellent examples of such partnerships in our fight against COVID-19. In healthcare, we were able to leverage the capabilities of our private hospitals and private general practitioner (GP) clinics. Outside of healthcare, our companies and non-governmental organisation (NGO) groups stepped up in many different ways – housing and taking care of migrant workers, setting up and manning the community care facilities at Changi Expo and Changi Exhibition Centre, ensuring continued access to vital supply chains and facilitating our crucial nationwide vaccine operations.

We will learn from these experiences and put in place structures that will enable us to harness our resources more effectively and strengthen the complementary roles that the public, private and people sectors can play during peacetime and in crises.

Another important aspect of resilience is in our economy and supply chains. For some time now, we have been diversifying import sources, stockpiling food and essential items, and where possible, building up local production, like our "30 by 30" plan – to produce 30% of our nutritional needs locally by 2030.

These efforts have enabled us to weather through the disruptions of the last three years. We quickly stood up a Standby LNG Facility when the world scrambled for gas after the Russian invasion of Ukraine. We had ample stock of frozen chicken when Malaysia banned the export of live chickens. We will continue to review our stockpiling strategies and improve the diversification of critical supplies. We will weigh the costs of such insurance carefully and ensure that the benefits we reap in terms of greater resilience are worth the additional costs.

Likewise, we have built resilience in our infrastructure. We have designed our buildings to serve both peacetime and crisis functions where possible, given our land scarcity. For example, our MRT stations are designed to function as public shelters and provide protection during wartime emergencies.

In this pandemic, we had to convert, at short notice, several existing spaces – vacant schools were used to house recovering migrant workers; community centres became vaccination centres; hotels became quarantine facilities; and exhibition halls became additional healthcare facilities to augment hospital bed capacity.

All this reinforces the importance of having adaptable, multi-use facilities. We will, therefore, study how we can further enhance the resilience of our infrastructure, especially for new major projects like the Tuas Mega Port and Changi Airport Terminal 5.

The lessons from COVID-19 will also help us in strengthening our resilience against the larger existential threat of global warming and climate change.

We have started to prepare for this. We have accelerated the low-carbon transition for Singapore to achieve net-zero emissions by 2050. We are raising the carbon tax progressively over the next few years to provide a stronger price signal and impetus to reduce our carbon footprint. We are supporting our enterprises and households to become more energy efficient. We are greening our buildings and going for cleaner vehicles. We are harvesting solar energy, transiting to cleaner energy sources, like hydrogen, and working with our neighbours to develop regional power grids.

In short, we are doing everything we can to fight climate change. But we also know that our efforts alone will not be enough. The rest of the world must also do their part. Unfortunately, in the short term, many countries are increasing their reliance on fossil fuels to prevent the lights from going out and to provide for energy security. This simply means the world will have to redouble its efforts to get back on track with the plans to keep global temperatures from rising beyond a threshold that will result in irreversible damage.

While we will do our best to shape and drive this international agenda, we must also prepare for the worst. And that means taking steps to adapt to global warming and especially to rising sea levels. We are now building a polder at Pulau Tekong – it is already more than halfway complete and is set to finish by end-2024. The experience gained from this project will give us more options to protect our coastline against rising sea levels.

We have also set up a Coastal and Flood Protection Fund with an initial injection of $5 billion to support the construction of coastal and drainage infrastructure. Since then, the teams have been conducting site-specific studies for drainage enhancements and coastal protection, starting with the stretch from the city to East Coast.

We expect climate-related spending to go up significantly in the medium term, and we will commit more resources as we progressively implement these extensive infrastructure plans.

Be it a pandemic, an economic crisis or rising sea levels, we have been systematically planning forward, to give ourselves more options and solutions to cope with future shocks.

But we will not be able to anticipate and cater for every scenario. Furthermore, no amount of buffers or redundancies in our system can mitigate the extreme scenarios of blockades, conflict, war or climate disasters.

Just look at the extent of destruction and damage that has happened in Ukraine. The cost of rebuilding the country has been estimated at several hundreds of billions of dollars and that figure is only expected to grow as the war continues.

So, our best safeguard in any crisis remains having access to the financial reserves we have accumulated over decades of prudent government.

Ultimately, our reserves are our greatest insurance. They allow us to respond quickly to immediate needs in an emergency, without compromising the focus on the longer term. They enable us to bounce back stronger, as has happened during the Global Financial Crisis in 2008 and most recently in this COVID-19 pandemic. And if we were ever to be hit by a bigger calamity or disaster, our Reserves will provide us the resources we need to rebuild Singapore. [*Applause.*]

Aside from financial reserves, the most critical ingredient of national resilience is our people.

When there is a high level of solidarity and trust amongst our citizens, and when Singaporeans feel a strong sense of collective ownership and responsibility for each other, we will be able to withstand any shocks together.

This is why we are continually reviewing and updating our policies to keep our social fabric strong and resilient. We do so from a position of strength. Over decades of engagement and hard work, we have expanded the common stakes that we have in each other. We have kept faith with each other and avoided the fissures that have divided so many other countries. In the last three years of the pandemic, we have seen many ground-up initiatives by diverse groups, looking after the more vulnerable amongst us, regardless of race or religion.

Singaporeans have also donated generously. Despite the economic downturn due to COVID-19, the donations received through Giving.sg were about three times higher than pre-pandemic levels and have remained at around $100 million in the last three years. We must sustain this spirit of giving. The Government will continue to do our part to foster this.

One way is through tax deductible donations to Institutions of a Public Character, or IPCs, and eligible institutions. Our tax deduction for donations at 250% is, in fact, already very high, compared to other jurisdictions. Nevertheless, we will extend this tax deduction rate for another three years till end-2026 and we will review thereafter what would be a more sustainable level of tax deduction for the longer term. [*Please refer to* ***Annex F-1***.]

We will also continue to encourage businesses to do their part in corporate giving. Many are already doing so, going beyond cash donations to skills-based volunteering and inclusive hiring. We will enhance the existing Business and IPC Partnership Scheme into a broader Corporate Volunteer Scheme, which will be rolled out for three years. The scope of eligible activities for tax incentives under this Scheme will be expanded. And we will also double the qualifying per-IPC cap to $100,000 per calendar year to facilitate deeper partnerships between businesses and IPCs. [*Please refer to* Annex F-1.]

Our charities, social service agencies, or SSAs, and community organisations play crucial roles in looking after the vulnerable, and mobilising Singaporeans to support those in greater need. We will continue to strengthen their capabilities and support their services.

We have completed a review of social service sector salary benchmarks, and will work with the SSAs to raise salaries so as to better attract and retain talent in the social service sector. The Minister for Social and Family Development will share more at the COS.

In this Budget, I will top up the Community Silver Trust by $1 billion to support our SSAs that deliver community care services for our seniors. The Community Silver Trust provides dollar-for-dollar donation matching grants for the SSAs and will enable them to enhance the quality and accessibility of community care, especially for the more vulnerable seniors. Charities and SSAs can also continue to tap on the Charities Capability Fund and the Community Capability Trust to drive innovation and transform their operations.

I will also provide a $10 million top-up to the Self-Help Groups over the next three years. They are doing good work on the ground, and are well placed to provide assistance to members of their respective communities who need help.

Sir, tomorrow is Total Defence Day. We are reminded that every citizen and every sector of society has a part to play in ensuring Singapore's security and defending our way of life. Indeed, our efforts to strengthen our overall resilience must reflect the values that motivate us as a people and as a nation. We want a Singapore where we not only do the best for ourselves, but also help our fellow citizens succeed. That is how we keep Singapore strong, resilient and united.

Mr Speaker, with your permission, please allow me to say a few words in Mandarin.

(*In Mandarin*): [*Please refer to* ***Vernacular Speech***.] This year's Budget is taking place amidst significant changes in the external environment. We have to focus our efforts to ensure Singapore continues to survive and prosper in a troubled world.

I understand that Singaporeans are concerned about the rising cost-of-living. In this Budget, I will provide more support to help Singaporeans tide through this difficult period.

Retirees and lower-income households will receive the most benefits. For example, an elderly retired couple living in a 3-room HDB flat will receive $6,500 in 2023. In other words, our measures will fully cover their increased expenses due to higher GST rate and inflation.

Middle-income families will also receive help and those with more people in the household will get more support. For example, a middle-income family of six living in a 5-room HDB flat, with two school-going children and two grandparents, will receive a total of $8,400 this year. For the middle-income groups, our measures will substantially cover their increased expenses due to higher GST and inflation this year.

Besides these temporary measures, I will enhance the permanent GSTV scheme. This ensures that most retirees as well as lower-income households will not be impacted by the GST rate increase. Under our GST system, it is the more well-off consumers, as well as foreigners and tourists who will bear higher effective GST rates than lower-income Singaporeans.

Besides tackling cost of living concerns, we will equip our businesses and workers to seize the opportunities in this new era. We will support our local enterprises, especially SMEs, to invest in innovation projects and activities. Through innovation, we want our companies to innovate and grow their businesses. We will also do more to help promising SMEs to internationalise, expand into new markets overseas and compete on the global stage. I hope some local companies will become globally leading enterprises and hold their own against the best in the world.

We will do more to support the reskilling and upskilling of our workers. We will also strengthen our support for families to reduce the cost of raising children, especially in their early years, and help parents better manage their work and family commitments.

This year marks the 100th birth anniversary of our founding Prime Minister Mr Lee Kuan Yew. We will continue to steward the values underpinning Mr Lee's legacy, to plan for the long term, determine our own destiny and create the future we want, for ourselves and for the generations to come.

Singapore has faced one challenge after another since we became independent. We have prevailed in every challenge and emerged stronger year after year.

This has been our experience after fighting the pandemic together for the last three years. We will see multiple challenges in this Year of the Rabbit, but also new opportunities. We must not adopt a "wait-and-see" attitude; instead, we should be nimble like a rabbit and act decisively to embrace the opportunities ahead. So long as we remain united as one people, I am confident we will be able to build a better and stronger Singapore for the future. [*Applause*.]

(*In English*): Sir, our efforts to grow the economy, strengthen social safety nets, and enhance national resilience will require the Government to spend more.

The Ministry of Finance recently published an Occasional Paper on our medium-term fiscal projections. Our expenditure projections have not taken into account additional policy moves that the Government may make in the future. If there are any such further increases in spending, they will need to be funded by additional revenues to ensure a balanced Budget for the medium term.

But even if we have to look at ways to raise revenues in future, the Government will keep our overall system of taxes and benefits fair and progressive. Our system is based on collective responsibility. Every citizen has a part to play in nation building. Everyone contributes something, but those who are better off contribute more. Likewise, everyone benefits from the State's spending, with the vulnerable benefiting more. This is a fair and inclusive approach.

Last year, besides the GST rate increase, I made major changes to strengthen our tax structure, including raising the Personal Income Tax rates for top income-earners, as well as the property tax rates for higher-value owner-occupied residential properties and all non-owner-occupied residential properties.

This year, I will make further adjustments to our tax system.

I will adjust the Buyer's Stamp Duty (BSD) regime which applies to all purchases or receipt of gifts of immovable properties in Singapore. I will introduce higher marginal BSD rates for higher-value residential and non-residential properties.

For residential properties, the portion of the value of the property in excess of $1.5 million and up to $3 million would be taxed at 5%; while that in excess of $3 million would be taxed at 6%, up from the current rate of 4%.

The changes are expected to affect 15% of residential properties. The additional conveyance duties regime will also be adjusted accordingly.

For non-residential properties, the portion of the value of the property in excess of $1 million and up to $1.5 million would be taxed at 4%; while that in excess of $1.5 million would be taxed at 5%, up from the current rate of 3%.

These changes are expected to affect 60% of non-residential properties.

The changes to the BSD regime will apply to all properties acquired from tomorrow. This is expected to generate an additional $500 million in revenue per year. But the actual amount will depend on the state of the property market.

I had adjusted vehicle taxes last year, but there is still scope to make them more progressive. I will therefore adjust the Additional Registration Fee (ARF) rates to better differentiate between the higher end cars and also tax luxury cars at a higher rate. Buyers of cars with Open Market Value (OMV) of more than $40,000 will pay higher marginal ARF rates than they do today and, in particular, for the highest OMV tier, the revised ARF rates will be 320%, up from 220% today.

Currently, the Preferential ARF rebates are sized as a percentage of the payable ARF. I will cap the Preferential ARF rebates at $60,000 to avoid providing excessive rebates to more expensive cars when they are deregistered.

These changes are expected to affect the top one-third of cars by OMV. Buyers of cars with an OMV of $40,000 or less will not be affected.

The new ARF structure and the Preferential ARF cap will apply to all cars registered with COEs obtained from the next round of COE bidding. The ARF change is expected to generate about $200 million in additional revenue per year. But again, the actual amount will depend on the state of the vehicle market [*Please refer to* ***Annex G-2***].

To discourage the consumption of tobacco products, I will implement a 15% increase in tobacco excise duty across all tobacco products, with effect from today. The increase is expected to generate about $100 million in additional revenue per year.

I will also make some tax adjustments to support businesses and strengthen our competitiveness, as well as to enhance the fairness and resilience of our tax system. The details of these tax changes are in the Annex to the Budget. [*Please refer to* ***Annex G-1****.*]

Our corporate tax system will be affected by BEPS 2.0. Pillar Two of BEPS will introduce a global minimum effective tax rate of 15% for large MNE groups. However, many jurisdictions have not announced their implementation plans. Some key parameters of Pillar Two have only been finalised this year, while others remain under discussion at the international level.

The EU recently announced its plans to implement Pillar Two in phases starting effectively from 2024. Other jurisdictions like the United Kingdom (UK) and Switzerland have announced their intention to do the same. As the rules will be implemented progressively, the full effects will only be felt in 2025 or later.

Given these developments, I intend to implement Pillar Two from 2025, as part of the broader international move to align minimum global corporate tax rates for large MNE groups. When we do so, we will implement a Domestic Top-up Tax, which will top up the MNE groups' effective tax rate in Singapore to 15%. At the same time, we will review and update our broader suite of industry development schemes to ensure that Singapore remains competitive in attracting and retaining investments.

That said, the developments on BEPS 2.0 are fluid, and we will continue to monitor international developments. If there are additional delays, we will adjust our implementation timelines. We will continue to engage companies and give them sufficient notice, well ahead of any changes to our tax rules or schemes. [*Please refer to* Annex G-1.]

Sir, let me now summarise our overall fiscal position.

For FY2022, as I mentioned just now, I expect an overall deficit of $2 billion, or 0.3% of GDP. For FY2023, I expect an overall slight deficit of $0.4 billion, or 0.1% of GDP. This is appropriate for the projected economic conditions this year. Nonetheless, we will have drawer plans in place to take swift action, should downside economic scenarios materialise. [*Please refer to* Annex A-2.]

For the last three financial years, we have had to draw on the Past Reserves to cope with the unexpected shocks and disruptions of the pandemic. As things return to normal, we will not need to make any draw on the Past Reserves in this year's Budget.

In May 2020, the Government raised the Contingencies Funds balance from $3 billion to $16 billion, to ensure we could respond quickly to urgent and unforeseen cashflow needs arising from the fast-evolving pandemic. With the return to normalcy, I will reduce the balance of the Contingencies Funds from $16 billion to $6 billion. This will ensure adequate resources for unforeseen circumstances, while retaining discipline in how we manage our finances.

Today, we can increase the balances in the Contingencies Funds, but there is no legal mechanism to make a reduction. We will, hence, amend the Constitution for this purpose. The Government will be tabling a Bill for its First Reading later this month.

Mr Speaker, this Budget is about moving forward in a new era – a period of great uncertainty and troubles in the external environment, which will pose formidable challenges for all of us.

We are taking comprehensive measures to help Singaporeans tide through the immediate cost-of-living pressures. Importantly, we are making decisive moves to secure Singapore's prospects – by growing our economy, equipping our workers, strengthening our social compact and building a more resilient nation. These moves are part of the broader strategy for our next bound of development, which we are co-creating with Singaporeans through the Forward Singapore exercise.

The road ahead will not be easy. But it has never been and will never be that easy for us. We are a little red dot – a country that was never meant to be. We are more exposed and vulnerable than others to external forces beyond our control. And in our short history since Independence, we have repeatedly faced crises and will continue to do so.

But we have never shied away from adversity and challenges. Mr Lee Kuan Yew and our Pioneer Generation set the tone for how we should respond – with grit and tenacity, and with the courage to dream big and to turn these dreams into reality. And since then, successive generations have sustained the hard work to take Singapore forward. This is why we are in a much stronger position today.

We have also emerged from the last three years of COVID-19 more united than before. There is a high regard around the world for the Singapore brand – our honesty, integrity and reliability. Investors trust us – they see advantage in our tripartite system, our open economy and our cohesive society. These are fundamentals that will continue to set us apart.

But our real strength is in our people – who we are and what we stand for. We are a people with an indomitable and "never-say-die" spirit. We are quick in adapting and responding to changes in the world. We believe in stretching ourselves, pursuing excellence and striving to do better. And we strive, not just for ourselves and our families, but also for those around us. Because we are also a caring, gracious and generous people – we treat each other as equals, we respect and look out for one another, and we are ever ready to extend a helping hand to those in need.

We see this spirit in Singaporeans like Ms Emily Yap, who is a registered nurse at Alexandra Hospital. Emily has been hard at work at the COVID-19 frontlines. Despite this heavy workload, she still volunteers on her off-days to care for the wider community. She draws inspiration from her grandmother, who also worked as a nurse her whole life.

So, Emily started a ground-up initiative with other like-minded young people. During the pandemic, she and her fellow volunteers helped to deliver grocery packs to the elderly and lower-income families in her community. She also used her CDC vouchers, not for herself, but to buy "kueh bangkit" from her neighbourhood bakery and shared them with vulnerable families over the Lunar New Year. [*Please refer to*

Annex D-2.]

Sir, that is what the Singapore spirit is about. We have seen it in action and experienced it in abundance over the last three years – how we are responsible for one another, keep an eye out for our fellow citizens, and always band together as a team. And as one united people, we can move forward with confidence in this new era, and shape a brighter future and a better Singapore together.

Mr Speaker, Sir, I beg to move. [*Applause.*]

5.19 pm

Mr Speaker: The Question is, "That Parliament approves the financial policy of the Government for the Financial Year 1 April 2023 to 31 March 2024."

In accordance with paragraph (1) of Standing Order No 89, the debate now stands adjourned. Debate to be resumed on what day?

Mr Lawrence Wong: Wednesday, 22 February 2023, Sir.

Mr Speaker: So be it.

ADJOURNMENT

Resolved, "That Parliament do now adjourn to Wednesday, 22 February 2023." – [Ms Indranee Rajah].

Adjourned accordingly at 5.20 pm.

WRITTEN ANSWERS TO QUESTIONS

DATA ON THOSE IN REFORMATIVE TRAINING DETAINED PAST MINIMUM DETENTION PERIOD

1 **Mr Leon Perera** asked the Minister for Home Affairs of those sentenced to Reformative Training since 2019 (a) how many detainees have been given a supervision order upon reaching their minimum detention period; (b) of the detainees who have been detained past their minimum detention period, what is the average number of months detained past their minimum detention period before receiving their supervision orders; and (c) how many detainees have served the maximum detention period of 54 months.

Mr K Shanmugam: From 31 October 2018, when the Criminal Procedure Code (Reformative Training) Regulations 2018 was operationalised, to 31 December 2022, 473 persons sentenced to Reformative Training were given a supervision order. Of these, 201 did so upon reaching their minimum detention period. The remainder were, on average, released on supervision five months beyond their minimum detention period.

To date, no trainees has served the maximum detention period of 54 months.

PENALTIES FOR MONEY MULES WHO SOLD CONTROL OF BANK ACCOUNTS OR SINGPASS DETAILS FOR SCAMS AND MONEY LAUNDERING ACTIVITIES

2 **Mr Yip Hon Weng** asked the Minister for Home Affairs (a) in the past year, what have been the most common penalties for money mules who sold control of their bank accounts or Singpass login details for the purpose of scams and money laundering activities; (b) whether most of these offences by money mules have been voluntary or coerced by crime syndicates; and (c) whether the penalties for scam abetting offences can be increased as a deterrent.

Mr K Shanmugam: Money mules who knowingly give up control of or sell their bank accounts or Singpass login details for the purposes of scams and money laundering activities will be investigated by the Police. They may be prosecuted in Court for offences under the Corruption, Drug Trafficking and Other Serious Offences (Confiscation of Benefits) Act 1992 (CDSA), the Penal Code 1871 (PC), the Computer Misuse Act 1993 (CMA) or the Payment Services Act 2019 (PSA).

Examples of offences for which these money mules may be liable include transferring the benefits from criminal conduct, cheating or the disclosure of a password for wrongful gain or any unlawful purpose.

As each case is assessed on its unique facts and circumstances, the penalties for such cases vary. For example, a man was sentenced to nine months' jail on 10 January 2023 under the CDSA for selling his bank account which was later used in various scams. In another example, a man was sentenced to four weeks' jail on 25 January 2023 under the CMA for selling his Internet banking details to an unknown person, which was later used in love scams.

Depending on the offences, the maximum penalties are as follows:

(a) Under CDSA – for individuals, a fine of up to $500,000 or imprisonment for up to 10 years or both;

(b) Under PC – imprisonment for up to three years, or fine, or both;

(c) Under CMA – a fine of up to $10,000 or imprisonment for up to three years or both, in the case of a first conviction;

(d) Under PSA – a fine of up to $125,000 or imprisonment for up to three years or both.

Those who sell their bank accounts or Singpass login details usually do so of their own volition, enticed by the commissions and monetary benefits.

Money mules facilitate the perpetration of scams. To fight scams more effectively, we need to prevent and deter individuals from acting as money mules. Today, a large number of the money mules arrested by the Police cannot be prosecuted due to difficulties in proving their intent to facilitate the scams. In short, the issue is not with the penalties in our current laws, but our laws need to be enhanced to make it easier to make out money laundering offences in such scam cases.

The Ministry of Home Affairs is therefore looking into amending our laws to strengthen our ability to deal with money mules.

We will be introducing new provisions and penalties to the CDSA to impose obligations on individuals to exercise greater accountability and vigilance when transferring money on behalf of others.

We are also looking at introducing new provisions to curb the abuse of Singpass. We will provide more information when ready.

DEPLOYMENT OF MOBILE SPEED CAMERAS TO ENCOURAGE MOTORISTS TO COMPLY WITH SPEED LIMITS ON ROADS

3 **Mr Murali Pillai** asked the Minister for Home Affairs (a) what is the Traffic Police's assessment of the deployment of mobile speed cameras since 2017 as a resource-productive tool to encourage motorists to comply with vehicle or road speeds; and (b) whether the Traffic Police intends to employ more of such cameras with a view to arrest the increasing number of speeding-related violations and accidents as reported by the Police on 8 September 2022.

Mr K Shanmugam: Mobile Speed Cameras (MSCs) are portable speed detection devices which can be easily deployed at different locations. Should speeding prove rampant at a particular stretch of road, the Traffic Police (TP) may consider deploying a fixed speed camera instead, if the terrain permits.

The Member referenced the Police's Mid-Year Traffic Situation Report for 2022. The report found that the number of speeding-related violations and accidents increased in the first half of 2022, compared to the same period in 2021. The increase was partly due to the increase in traffic volume in 2022, with the easing of COVID-19 measures. The number of speeding-related violations, however, was lower than pre-pandemic.

MSCs are part of the suite of enforcement tools adopted by TP, which includes fixed speed cameras, red-light cameras, as well as routine patrols by TP officers. TP will continue to monitor and assess the traffic situation, including whether stronger enforcement actions are needed.

QUALITY ASSURANCE CONTROL FOR AVIATION COMPANIES IN MAINTENANCE, REPAIR AND OVERHAUL SECTOR AND FEEDBACK ON NON-COMPLIANCE

4 **Mr Dennis Tan Lip Fong** asked the Minister for Transport (a) whether all companies in the maintenance, repair and overhaul sector of our aviation industry are required to appoint a quality assurance manager; and (b) whether and how a member of the public can provide feedback to the authorities of any non-compliance on the part of any quality assurance manager.

Mr S Iswaran: The Civil Aviation Authority of Singapore (CAAS) administers the Singapore Airworthiness Requirements 145 – Maintenance Organisation (SAR-145), which prescribes the standards and requirements to which any Maintenance, Repair and Overhaul company will need to achieve and maintain, in order to provide maintenance-related services to an owner and/or operator of a Singapore-registered aircraft.

Under the SAR-145, approved companies are required to appoint a senior person as the quality manager, to ensure the company's full compliance with SAR-145 requirements. The quality manager should possess qualifications, including holding an aircraft maintenance engineer's licence or equivalent, and having relevant quality assurance experience.

Members of the public may provide feedback via the CAAS website. They can also make use of CAAS' "Tell Sarah" portal, an online voluntary safety reporting system, to report safety hazards and unsafe practices. All "Tell Sarah" reports will be anonymised and kept confidential.

COOPERATIVE AND UNIFIED SMART TRAFFIC SYSTEM PROJECT'S ABILITY TO DETECT BICYCLES

5 **Mr Leon Perera** asked the Minister for Transport whether LTA's Cooperative and Unified Smart Traffic System project will have the ability to detect bicycles, for enhanced cyclist road safety.

Mr S Iswaran: The CoopeRative and UnIfied Smart Traffic SystEm (CRUISE) project is intended to trial the use of artificial intelligence and multi-sensor data integration across multiple traffic junctions. The focus of the trial is to adjust traffic lights dynamically to optimise travel time for vehicles and other road users, such as pedestrians and cyclists who use pedestrian crossings. For CRUISE to be used to detect cyclists on roads, the Land Transport Authority would have to enhance the algorithms and conduct more trials, which would in turn make the system more complex and costly.

With the increasing popularity of on-road cycling, the Government implemented various initiatives to improve road safety, such as new regulations following the on-road safety review conducted by the Active Mobility Advisory Panel and introduction of an on-road safety handbook for motorists and cyclists. We will continue to study ways to improve road safety for all users.

RAISING PUBLIC AWARENESS ON NUTRI-GRADE LABELLING AND KEY-PERFORMANCE INDICATORS FOR ITS SUCCESS

6 **Mr Yip Hon Weng** asked the Minister for Health (a) what is the Ministry doing to raise public awareness on Nutri-Grade labelling and encourage the public to make more informed and healthier choices; (b) what are the specific key-performance indicators of the success of Nutri-Grade labelling; and (c) what is the planned timeline for the provision of industry guidance and onboarding of establishments with regard to mandatory labelling for freshly-prepared drinks.

Mr Ong Ye Kung: Nutri-Grade mark was rolled out in December 2022, to help consumers make informed beverage purchases. We believe that, with time, more and more people will familiarise themselves with it.

Nutri-Grade measures seek to decrease median sugar level across beverages, increase consumer preference for beverages with lower sugar and saturated fat content, and reduce Singaporean's overall sugar consumption from beverages. The Health Promotion Board tracks these through market data on beverages' supply and demand, and the National Nutrition Survey. There has been good progress so far.

The measures for freshly prepared beverages will come into effect in end-2023.

NUMBER OF RESIDENT LIFE AND ESCALATOR WORKERS IN PROGRESSIVE WAGE MODEL JOB ROLES

7 **Mr Gan Thiam Poh** asked the Minister for National Development (a) what is the breakdown of the number of resident lift and escalator (L&E) workers in the various progressive wage model (PWM) job roles for the last two years; and (b) what is the number and percentage of L&E firms that have complied with the PWM wages which came into effect from 1 July 2022.

Mr Desmond Lee: The number of local lift and escalator (L&E) technicians in each Progressive Wage Model (PWM) job level in the last two years is tabulated below.

PWM Job level	Year	
	2021	2022
Assistant Specialist	301	286
Specialist	418	432
Senior Specialist	209	155
Supervisor	109	119
Principal Specialist	50	46

More than 40 L&E firms, maintaining about 95% of the L&E in Singapore, have adopted the L&E PWM. In December 2022, the Building and Construction Authority (BCA) mandated the L&E PWM as a registration requirement for all L&E maintenance firms. Firms that currently undertake L&E maintenance works have until 8 June 2023 to register with BCA under the new registration conditions.

TRACKING NUMBER OF STUDENTS IN LIFT AND ESCALATOR-RELATED COURSES

8 **Mr Gan Thiam Poh** asked the Minister for National Development whether BCA intends to track the number and percentage of students from lift and escalator related courses in each cohort who joins the industry upon graduation.

Mr Desmond Lee: The Building and Construction Authority (BCA) intends to track whether students from the Nitec in Built Environment (Vertical Transportation) course join the lift and escalator industry after graduation. BCA will also study the feasibility of doing the same for other relevant mechanical and electrical engineering courses.

BOOK EXCHANGE CORNER IN PUBLIC LIBRARIES

9 **Dr Tan Wu Meng** asked the Minister for Communications and Information (a) which public libraries currently have a book exchange corner; and (b) for libraries located within shopping malls that do not have a book exchange corner, whether the National Library Board has studied the feasibility of extending the book exchange corner to these libraries.

Mrs Josephine Teo: Book exchange corners are currently found in nine public libraries, spread out around the different parts of Singapore. They are self-managed community spaces set up within the National Library Board (NLB)'s premises, as an ancillary service to enable pre-loved books to find a new home.

These book exchange corners are in:

(a) Ang Mo Kio Public Library

(b) Bedok Public Library

(c) Bishan Public Library

(d) Geylang East Public Library

(e) Jurong Regional Library

(f) Jurong West Public Library

(g) Queenstown Public Library

(h) Toa Payoh Public Library, and

(i) Woodlands Regional Library.

For public libraries located within shopping malls, NLB has less flexibility to support book exchange corners due to space constraints and the need to share common areas with other co-located tenants.

The NLB is committed to supporting community reading spaces and will continue to look at ways to do so. For example, NLB recently rolled out Nodes at Parks, which saw book exchange corners being set up in popular green spaces across Singapore, with an ongoing one at Pasir Ris Park till the end of February 2023. NLB has also worked with partners to set up reading corners in community spaces such as selected Community Centres, Senior Activity Centres and Family Service Centres.

UPDATE ON SUGGESTION FOR PRESIDENT TO ISSUE CONGRATULATORY NOTES TO SINGAPORE CENTENARIANS ON THEIR BIRTHDAYS

10 **Mr Murali Pillai** asked the Minister for Culture, Community and Youth whether he can provide an update on the Ministry's study of the suggestion made in the House that the President of Singapore issue congratulatory notes to Singapore centenarians on the occasion of their birthdays.

Mr Edwin Tong Chun Fai: We would like to honour the achievements and contributions of centenarians in Singapore, and celebrate their longevity and contributions to Singapore. At present, there are various organic and ground-up initiatives which celebrate our centenarians, such as where grassroots volunteers visit the centenarians or their families and present them with a gift. We are heartened by these local community initiatives and encourage them to continue to do so.

The Ministry of Culture, Community and Youth and the People's Association are studying the most appropriate ways in which Singaporean centenarians can be recognised at a national level and will announce further details when ready.

NUMBER OF CAREGIVERS WHO STOPPED WORK DUE TO CARE RESPONSIBILITIES AND SUBSEQUENTLY RETURNED TO WORK

11 **Dr Tan Wu Meng** asked the Minister for Manpower (a) whether studies have been conducted on the annual number of workers over the past five years who have stopped work in order to be a caregiver for an elderly or ailing parent; and (b) if so, how many of these workers have subsequently returned to work.

Dr Tan See Leng: We started collecting data, through our labour force surveys, since 2021 on the number of people who are not in the labour force because they are caring for their parents. For the last two years, this has been at around 12,000 each year, or 1% of all residents outside the labour force.

As our labour force surveys are cross-sectional and not longitudinal, we do not have data on the number of individuals who had left the labour force and subsequently returned.

ANNEXES

Annex A-1( )
Annex E-4( )
Annex F-1( )
Annex G-2( )
Annex G-1( )
Annex A-2( )
Annex B-1( )
Annex D-1( )
Annex D-2( )
Annex D-3( )
Annex E-1( )
Annex E-2( )
Annex E-3( )

VERNACULAR SPEECH

Vernacular Speech by Mr Lawrence Wong( )

^( )