

Parliament No:	14
Session No:	1
Volume No:	95
Sitting No:	84
Sitting Date:	22-02-2023

PARLIAMENTARY DEBATES

SINGAPORE

OFFICIAL REPORT

FOURTEENTH PARLIAMENT

FIRST SESSION

Wednesday, 22 February 2023

The House met at 11:30 am

VOLUME 95

NO 84

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.

Miss Cheng Li Hui (Tampines).

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

Mr Chong Kee Hiong (Bishan-Toa Payoh).

Mr Desmond Choo (Tampines).

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

Mr Chua Kheng Wee Louis (Sengkang).

Mr Darryl David (Ang Mo Kio).

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

Ms Foo Mee Har (West Coast).

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

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

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

Mr Gan Thiam Poh (Ang Mo Kio).

Mr Gerald Giam Yean Song (Aljunied).

Mr Derrick Goh (Nee Soon).

Ms He Ting Ru (Sengkang).

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

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

Prof Hoon Hian Teck (Nominated Member).

Mr Shawn Huang Wei Zhong (Jurong).

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

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

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

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

Prof Koh Lian Pin (Nominated Member).

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

Mr Kwek Hian Chuan Henry (Kebun Baru).

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

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

Mr Leong Mun Wai (Non-Constituency Member).

Mr Liang Eng Hwa (Bukit Panjang).

Mr Lim Biow Chuan (Mountbatten).

Assoc Prof Jamus Jerome Lim (Sengkang).

Ms Sylvia Lim (Aljunied).

Dr Lim Wee Kiak (Sembawang).

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

Ms Mariam Jaafar (Sembawang).

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

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

Mr Mohd Fahmi Aliman (Marine Parade).

Mr Muhamad Faisal Bin Abdul Manap (Aljunied).

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

Mr Murali Pillai (Bukit Batok).

Ms Nadia Ahmad Samdin (Ang Mo Kio).

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

Mr Louis Ng Kok Kwang (Nee Soon).

Ms Ng Ling Ling (Ang Mo Kio).

Miss Rachel Ong (West Coast).

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

Ms Joan Pereira (Tanjong Pagar).

Mr Leon Perera (Aljunied).

Ms Denise Phua Lay Peng (Jalan Besar).

Ms Hazel Poa (Non-Constituency Member).

Ms Poh Li San (Sembawang).

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

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

Mr Saktiandi Supaat (Bishan-Toa Payoh).

Mr Seah Kian Peng (Marine Parade).

Dr Shahira Abdullah (Nominated Member).

Mr Sharael Taha (Pasir Ris-Punggol).

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

Mr Sitoh Yih Pin (Potong Pasir).

Ms 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).

Dr Tan Yia Swam (Nominated Member).

Mr Patrick Tay Teck Guan (Pioneer).

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

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

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

Mr Raj Joshua Thomas (Nominated Member).

Ms Tin Pei Ling (MacPherson).

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

Mr Vikram Nair (Sembawang).

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

Dr Wan Rizal (Jalan Besar).

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

ABSENT:

Mr Cheng Hsing Yao (Nominated Member).
Mr K Shanmugam (Nee Soon), Minister for Home Affairs and Law.

PERMISSION TO MEMBERS TO BE ABSENT

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

Name	From	To
	(2023)	(2023)
Mr Desmond Tan	16 Feb	17 Feb
Mr Heng Chee How	16 Feb	17 Feb
Mr Heng Swee Keat	16 Feb	19 Feb
Dr Tan See Leng	16 Feb	17 Feb
Ms Yeo Wan Ling	16 Feb	18 Feb
Dr Koh Poh Koon	17 Feb	19 Feb
Mr Masagos Zulkifli B M M	17 Feb	19 Feb
Mr Patrick Tay Teck Guan	17 Feb	19 Feb
Ms Sim Ann	19 Feb	21 Feb
Mr Tan Chuan-Jin	19 Feb	21 Feb
Dr Vivian Balakrishnan	19 Feb	21 Feb
Mr Cheng Hsing Yao	22 Feb	23 Feb
Mr K Shanmugam	22 Feb	01 Mar

ASSENT TO BILL PASSED

The following Bill was assented to by the President of the Republic of Singapore on the date stated:
20 February 2023
i. Environmental Public Health (Amendment) Bill

[Mr Speaker in the Chair]

ORAL ANSWERS TO QUESTIONS

INSTANCES WHERE RULE HAD BEEN WAIVED FOR 80% OF FUNDS RAISED FOR FOREIGN CHARITABLE PURPOSES TO BE APPLIED TOWARDS LOCAL CHARITABLE PURPOSES

1 **Mr Louis Ng Kok Kwang** asked the Minister for Culture, Community and Youth for each year in the past five years (a) in how many and what percentage of cases have the 80:20 fund-raising rule requiring at least 80% of funds raised for foreign charitable purposes be applied towards local charitable purposes been waived for fund-raising activities; (b) of the cases where this 80:20 rule is waived, what are the top three target donor groups and beneficiaries; and (c) when will the Ministry next review this 80:20 rule.

The Minister of State for Culture, Community and Youth (Mr Alvin Tan) (for the Minister for Culture, Community and Youth): Mr Speaker, I note that the hon Member had also asked a Parliamentary Question (PQ) on the same topic last year, at the 8 March 2022 Parliamentary Sitting. So, I also kindly ask him to refer to our reply given then, as it remains relevant.

In the past five years, the Commissioner of Charities (COC) has, on average, granted about 70 waivers of the 80:20 fund-raising rule each year. More than 70% of the waivers were granted for private appeals such as within schools, churches and other organisations to support charitable work in other countries such as school programmes or missionary work. The majority of the remaining appeals granted waivers were for disaster and humanitarian relief efforts.

For example, in 2022, there were 56 waivers granted for private appeals, while 16 permits granted with waivers were for humanitarian relief, such as for the crisis in Ukraine, and natural disasters such as the Pakistan floods and earthquakes in Afghanistan and Indonesia. More recently, waivers were also granted for appeals supporting relief efforts for the Türkiye–Syria Earthquake.

Mr Speaker: Mr Louis Ng.

Mr Louis Ng Kok Kwang (Nee Soon): I thank the Minister of State for the reply. I should also thank him for meeting up with the non-governmental organisations (NGOs) to discuss this issue and the concerns they have about raising funds. But I think he would also have heard about how difficult it has been for them to get this waiver. For one, I am going to ask whether the Government can be more prescriptive and lay out what are the specific safeguards that are needed in place to mitigate the risks in terms of foreign fund-raising. And second, could I ask when is the next review of the Charities regulations? I know we do that quite regularly.

Mr Alvin Tan: Sir, I thank the Member for his supplementary questions and also, for speaking up for the NGOs, whom we have met, who also generously and candidly shared about their experiences and also their work and their feedback.

Just to take a step back – the intent of the 80:20 rule is to ensure that these funds that are raised from the public are used primarily to benefit locals and also local causes. A concession is made where a proportion of the funds – in this case, 20% – is allowed to flow overseas for charitable purposes. Why? Because it is important to ensure: one, the accountability and transparency of permit holders since public funds are involved; and two, that the external flow of funds for overseas causes to foreign entities are legitimate.

All organisations have to apply for a foreign fund-raising permit from the COC if there is a need to raise funds for a foreign charitable purpose, and to seek waiver of the 80:20 rule where appropriate or when required.

In the case of smaller organisations like some of the NGOs that we met, who may not have enough resources to monitor its partners and affiliates, these organisations may consider partnering with those who are equipped to do so and who already have valid fund-raising permits in place. We do this in order to mitigate risks and also to reduce restrictions faced during the fund-raising process.

I wanted to give the Member an update that, for example, the COC has already issued seven permits thus far for fund-raising efforts for the earthquakes in Türkiye and Syria. The organisations are: the Singapore Red Cross Society, Rahmatan Lil Alamin Foundation Limited, Mercy Relief Limited, Operation Mobilisation Singapore Limited, World Vision International, Bible Society of Singapore, Buddhist Tzu Chi Merit Organization (Singapore) Limited. In fact, COC granted waiver of the 80:20 rule for all of these permits.

Talking about the criteria, well, given that the funds raised will be used to support overseas beneficiaries, permit holders must: first, have in place an anti-money laundering and countering of the financing of terrorism (AMLCFT) policy; two, exercise sensitivity when conducting its fund-raising activities and also not engage in any activities that may undermine the social and racial religious harmony in Singapore; and three, ensure that the funds raised are used by its beneficiaries in conformity with the laws of their respective countries and in a manner that would not affect Singapore's bilateral relations with these countries.

The COC will continue to review the 80:20 policy and will update the Member in due time. We can and have already been, on a case-by-case basis, waiving the rule, as I mentioned in my reply to the PQ and supplementary questions. We thank the Member for his continued support for organisations who are working hard to support worthwhile causes overseas and, also, to Singaporeans and Singapore residents who have contributed to these causes.

ENSURING GOVERNMENT WEB SERVICES AND DATA HOSTED ON COMMERCIAL DATA CENTRES ARE ASSURED OF AVAILABILITY AND DATA SECURITY

2 Ms Poh Li San asked the Prime Minister in view of the recent disruption caused by the power outage at Microsoft Azure on 8 February 2023 (a) how can Government web services and data hosted on commercial data centres be assured of availability and data security; and (b) what is the Government's procurement policy in terms of web services and data hosted in data centres owned by Singapore companies compared to foreign companies.

The Senior Minister of State for Communications and Information (Dr Janil Puthucheary) (for the Prime Minister): Mr Speaker, outages and disruptions can happen to any digital service, including those hosted on cloud services. The recent service degradation at a Microsoft data centre had limited impact on Government services. Nonetheless, GovTech has been working with Microsoft to fully restore affected services and prevent similar occurrences in future.

In general, cloud service providers offer improved availability, scalability and cost efficiency. These advantages were most evident during the COVID-19 pandemic, when we could quickly deploy services to support national efforts, such as contact tracing, proximity tracking and distribution of face masks.

To qualify for Government procurement, cloud services providers must meet our criteria for availability, resilience and security. The same criteria apply regardless of the service provider's ownership and location of data centres. The services are regularly monitored to ensure compliance with agreed service levels and stringent security standards. Prior to this incident, cloud service providers had been able to

meet our requirement to be available at least 99.9% of the time.

Mr Speaker: Ms Poh Li San.

Ms Poh Li San (Sembawang): Thank you, Speaker. I thank the Senior Minister of State for the reply. I have two supplementary questions. The first is regarding risk management. What is our strategy to diversify the use of different cloud services and data centres providers hosting various Government-linked functions? And the second question is on the degree of control. What degree of Government control do we have over the service providers in terms of such availability and resilience, and also what is the recourse in a situation of failure?

Dr Janil Puthucheary: Sir, our cloud services are hosted by three different service providers. So, there is already some diversity in the contractual arrangements that we have and the provision of services from the commercial sector. There is also diversity in the way in which we structure our cloud-supported databases and services, with some things happening on commercial cloud, Government commercial cloud and some things on on-premise solutions. So, there is already some diversity and we will continue to look to see how we can improve the resilience of our cloud service providers and uphold the standards that we have required.

To Ms Poh Li San's second question about the degree of control over the cloud service providers and what recourse, there are service standards that are contractually agreed to and the service providers have every interest in working with us to make sure that they do meet those service standards. But in addition to that, like any contractual arrangement between a cloud service provider and the client, our engineers work closely with their engineers, both in terms of setting up the architecture and also, in terms of trouble-shooting when problems arise. So, that close relationship is part of the way in which we ensure the resilience of our service and the recourse when things go wrong.

Mr Speaker: Ms Poh.

Ms Poh Li San: I thank the Senior Minister of State. In view of the importance of data in our digital society, will there be plans for some form of Government-owned cloud service, for maximising our control?

Dr Janil Puthucheary: To be clear, our plans are only for 70% of Government services to be on cloud providers by 2023. We are on track to meet that target. And so, already, we have plans and we have planned for some of our services to be controlled by the Government directly. These would primarily be those that support the work of the security services and agencies that are associated with that.

GUIDELINES FOR MARKING OUT DESIGNATED SMOKING AREAS WITHIN ORCHARD ROAD'S NO SMOKING ZONES

3 **Ms Yeo Wan Ling** asked the Minister for Sustainability and the Environment (a) what are the guidelines given to premise owners in the marking out of Designated Smoking Areas within Orchard Road No Smoking Zones; and (b) whether, in the past year, there have been complaints from users on the clarity of these markings.

The Senior Minister of State for Sustainability and the Environment (Dr Amy Khor Lean Suan) (for the Minister for Sustainability and the Environment): The National Environment Agency (NEA) has published guidelines on the setting up of Designated Smoking Areas (DSAs) on its website. Under the guidelines, premises owners are to ensure that DSA boundaries must be clearly defined using floor stickers or other forms of permanent marking.

In the past year, NEA received one instance of feedback regarding the clarity of markings demarcating a DSA within the Orchard Road No Smoking Zone. NEA has since conducted checks on the condition of all DSAs within the No Smoking Zone and engaged premises owners to make any necessary rectifications. Besides following up on feedback, NEA has and will continue to conduct regular checks and engage premises owners, if necessary, to rectify any non-conformity with the guidelines.

Mr Speaker: Ms Yeo.

Ms Yeo Wan Ling (Pasir Ris-Punggol): I thank Senior Minister of State Dr Khor for the answer. My constituent told me that in certain areas, particularly in tourist areas such as Orchard Road, markings for DSAs can be very confusing and property owners have used items such as planter boxes and other objects which are aesthetically pleasing to denote such smoking areas.

Does the Ministry take the view that property owners should have the responsibility in making these clear demarcations when marking out their smoking areas? If smokers who are confused by the marking have channels for feedback, where should they give the feedback to? And should they be fined, is there recourse for further investigations?

Dr Amy Khor Lean Suan: I thank the Member for the supplementary questions, as well as for the feedback. As I have noted, NEA publishes the guidelines on the setting up of DSAs. In fact, for certain critical requirements, it is actually legislated in the Smoking (Prohibition in Certain Places) Regulations 2018. Three of the criteria which are legislated are: firstly, it is about the boundary – that the DSA must be clearly demarcated with suitable measures; secondly, it is about the sign – there must be a signage provided either near or within the DSA to say that this is a Designated Smoking Area; and thirdly, you would need to provide at least one disposal receptacle – cigarette butt canister or litter bin with ash tray – within the DSA.

In the Orchard Road No Smoking Zone, there are currently 54 demarcated DSAs, 100 to 200 metres between DSAs, three DSAs are temporarily closed, and six are demarcated with planter boxes. What NEA does is to conduct checks to make sure that the demarcations are clearly done. If it is not, for instance, if there is feedback, then we will work with the premises owners to rectify this, to make sure that they are clearly demarcated.

As regard to enforcement action, if we observe the smoker holding a lit cigarette or smoking in a non-smoking area or smoking prohibited area, enforcement action will be taken. But the offender can appeal, write into NEA with supporting reasons and we will carefully consider the appeal, taking into account the facts of the case to see if there are mitigating factors for leniency to be accorded.

REVIEW OF ALLOWANCES FOR FULL-TIME NATIONAL SERVICEMEN GIVEN INFLATIONARY PRESSURES

4 **Mr Gerald Giam Yean Song** asked the Minister for Defence whether there has been any consideration towards raising the allowances for full-time National Servicemen in view of inflationary pressures and increases in the cost of living.

The Senior Minister of State for Defence (Mr Heng Chee How) (for the Minister for Defence): Sir, full-time National Servicemen (NSFs) receive an allowance to support their basic personal upkeep. The allowance takes into account that lodging, food, clothing and medical care are provided for by the Singapore Armed Forces and the Home Team given that most NSFs stay in camp.

MINDEF regularly reviews and adjusts the allowance. Three adjustments have been made over the last 10 years, the most recent being in March 2020. MINDEF will continue to conduct such regular reviews and where necessary, adjust the allowances.

Mr Speaker: Mr Gerald Giam.

Mr Gerald Giam Yean Song (Aljunied): I thank the Senior Minister of State for his reply. Since NS allowances were last increased in March 2020, the cost of basic upkeep has increased significantly due to high inflation that started around mid-2021. So, can NS allowance increases be pegged to the significant increases in the Consumer Price Index (CPI) or the Monetary Authority of Singapore (MAS) core inflation measure, so as to minimise the lag between the increases in cost of living and the adjustments to NS allowances? Secondly, when will the next review of NS allowances be held and can that be brought forward in view of the high and persistent inflation that we are facing?

Mr Heng Chee How: Sir, I thank the Member for his supplementary questions. As I mentioned in my reply, when we provide a calibration of the allowance for our NSFs, we certainly will have to monitor the overall price levels within the country.

But at the same time, it is also very pertinent for us to know and remember that it is not the general cost of living that actually applies to the upkeep of NSFs. Because as I have mentioned, lodging, food, clothing and medical care – these are items that would impact the overall cost of living. And these are already taken care of and paid for by the Singapore Armed Forces, as well as the Home Team for NSFs.

So, we will take everything into account in the review. And again, as I have mentioned, if you look back over the last 10 years, we have conducted no fewer than three reviews and we will certainly take all these into account going forward as well.

HELP FOR FIRMS TO BOOST PRODUCTIVITY WITH PROGRESSIVE WAGE MODEL'S APPROACH TO WAGE INCREASES

5 **Mr Yip Hon Weng** asked the Minister for Manpower (a) whether the Progressive Wage Model (PWM)'s approach to wage increases is linked to an expectation of increased productivity from businesses, with the aim of reducing costs; and (b) what steps has the Ministry been taking to assist companies that have implemented the PWM and are facing difficulties in boosting productivity.

The Senior Minister of State for Manpower (Mr Zaqy Mohamad) (for the Minister for Manpower): Mr Speaker, the Progressive Wage Model (PWM) is underpinned by the longstanding tripartite principle that wages should grow in tandem with productivity to be sustainable over the long term. To do this, both workers and employers need to play their part, and they can tap on the range of resources and initiatives rolled out by the Government and tripartite partners.

Workers need to improve their skills so that they can be as efficient and as productive as they can be in their jobs, even as wage rises. Through upskilling, workers can also put themselves in a better position to take on larger and more complex job roles. And in particular, workers in PWM job roles are guided by the tripartite-endorsed PWM requirements on how best to upskill. They are also supported by the Workfare Skills Support (WSS) Scheme, which provides training support to lower-wage workers, as well as the broader SkillsFuture movement.

Beyond improving each worker's productivity directly through training, businesses must also take ownership in driving wider business transformations to improve productivity. Our Progressive Wage moves are complemented by the Industry Transformation Maps, or ITMs, which map out growth and transformation plans for 23 sectors across the economy. Businesses can find support for their transformation journeys through various Government schemes, such as the Productivity Solutions Grant. They can also consider working with the National Trades Union Congress (NTUC) to set up Company Training Committees, or CTCs, and tap on the NTUC CTC grant, launched in 2022, to transform business processes, redesign jobs and improve work prospects for the workers.

The Government recognises that the efforts to raise productivity take time and that, in the immediate term, businesses may face cost pressures arising from Progressive Wage moves. As such, the Government has provided schemes to help businesses defray some of these costs in the transition. The Progressive Wage Credit Scheme (PWCS) co-funds the wage increases employers give to their lower-wage workers from 2022 to 2026. And as announced in Budget 2023, the co-funding support for PWCS will be enhanced up to 75% for the qualifying year 2023. Meanwhile, the WSS Scheme provides employers with an absentee payroll of 95% of basic wages when their workers are sent for training.

As we expand PWM to uplift lower-wage workers, we will continue to support businesses to improve their productivity.

Mr Speaker: Mr Yip Hon Weng.

Mr Yip Hon Weng (Yio Chu Kang): I thank the Senior Minister of State for his reply. I wish to ask the Senior Minister of State, which PWM sectors have greatest potential for productivity increase and what is the Ministry doing to improve productivity for these sectors?

Mr Zaqy Mohamad: Mr Speaker, I am actually tempted to say that every sector is a good sector, but I will answer direct.

Thus far, all sectors with PWM have shown potential for improvements in productivity to achieve long-term sustainability, alongside uplifting wages for their lower-wage workers. So, each PWM sector has embarked on their respective transformation journeys and each one is backed by ITMs. Typically, when we look at even the recent ones like food service and retail, we have ITMs to back them up by the industry. And these are also supported by Government and tripartite partners through various schemes.

So, we want to make it a point that it is not just about the workers' productivity alone. Because the workers can get skilled, trained and then, basically, they would be more productive, but they can only do so much if the business does not transform. So, you need the business to also move on the productivity drive because they can redesign jobs, they can put in place automation, sensors and so forth.

We have seen that in security, for example, which have seen very good progress. And with the newer industries or newer PWMs, like retail, for example, we are looking at areas such as putting in the Jobs-Skills Integrator, which I think the Ministry for Trade and Industry (MTI) is trialling. These are ways in which we can potentially improve the productivity levels.

But it is not just on the worker. I would say that it is all three in tandem: the worker, the business, the industry. They would all have to transform at the same time and, therefore, you will see varying degrees of productivity improvements.

Hence, my point was, we do see good progress in terms of productivity. Some of these take more time than others. But there are certainly others that have greater potential. The outcomes vary, depending on how different companies progress and how different sectors progress.

I also want to add on that service buyers and consumers also have a role to play, because I think we have also moved into procuring services based on outcomes, rather than just head counts. And, therefore, this will enable service providers have greater flexibility to transform how they deliver services and bring in innovation. If you are just looking for the lowest cost at the maximum headcount, this is not going to help the industries either to transform. That is why we were moving to outcomes based models. This will help us also help the service providers improve business efficiency and productivity.

REVIEW OF RESOURCES TO BE DEPLOYED TO GOVERNMENT AGENCIES TO HANDLE CASELOAD WITH INCREASING NUMBER OF SCAMS

6 Ms Poh Li San asked the Minister for Home Affairs in view of the 32.6% increase in scam cases and 13 scam syndicates busted in 2022 (a) whether more resources will be deployed by the Ministry and relevant agencies in the financial sector to deal with the growing case load; and (b) whether more can be done in collaboration with other law enforcement agencies in other jurisdictions to track and arrest culprits responsible for the scam cases.

The Minister of State for Home Affairs (Ms Sun Xueling) (for the Minister for Home Affairs): Mr Speaker, Sir, with the resources the Home Team has, the Home Team has reorganised ourselves for greater efficiency and effectiveness. For example, the Police set up the Anti-Scam Command in March 2022, to consolidate and optimise resources and expertise in scams across all their units.

The Police also partner stakeholders from the public and private sectors in our fight against scams, to complement and supplement our own capabilities. They worked with the Monetary Authority of Singapore (MAS) and the Association of Banks in Singapore (ABS) to co-locate staff from six major banks at the Anti-Scam Command. Staff from the Government Technology Agency (GovTech) are also co-located at the Anti-Scam Command to support Police investigations in Singpass-related scams. This has enhanced the Police's capabilities to more expeditiously stop more people from falling prey to ongoing scams and freeze bank accounts before the scammed monies flow out of Singapore.

MAS also works closely with the Standing Committee on Fraud of the ABS to drive anti-scam efforts in the financial industry. This includes implementing robust measures to safeguard customers, such as putting in place an emergency "kill switch" for customers to swiftly freeze their bank accounts which they suspect may have been compromised.

The Police have leveraged technology to enhance our ability to deal with scams and facilitate quicker decision-making. For instance, they use analytics to detect and block scam websites. This includes tools that look out for tell-tale characteristics of scam websites.

As scammers are mostly based overseas, our efforts to solve scam cases depend significantly on the cooperation from foreign law enforcement agencies. We are keen to enhance collaboration with foreign law enforcement agencies, but this will depend on their capacity and receptivity.

Where possible, the Police work with overseas counterparts to exchange information and conduct joint operations to dismantle scam syndicates. In 2022, close collaboration between the Police and foreign law enforcement agencies led to the successful takedown of 13 scam syndicates.

Since 2017, the Police have been a member of the multilateral platform called the Asset-Recovery Interagency Network – Asia Pacific. The network spans 28 member jurisdictions within the Asia-Pacific region and aims to increase the effectiveness of members' efforts in depriving criminals of their illicit profits.

INTERPOL also plays a crucial role in our fight against scams. They provide a platform for the Police to collaborate and share intelligence with the larger international policing community. In 2022, the Police participated in Operation HAECHI III, a global operation coordinated by INTERPOL over five months to tackle cyber-enabled financial crime. About 1,000 suspects were arrested and over US\$129 million worth of virtual assets were seized.

Enforcement alone, however, is not enough. We have also put in place upstream measures to try to prevent scammers from approaching Singaporeans in the first place. Such measures include working with telcos to block SMSes sent from unregistered sender IDs and overseas calls attempting to spoof domestic phone numbers.

Ultimately, the best defence against scams is a discerning public. We have stepped up our public education efforts. This year, the Police, together with the National Crime Prevention Council, launched the new anti-scam campaign called, "I can ACT against scams", which calls on the public to take concrete actions to protect themselves and their loved ones by taking the three key steps of ACT. A for ADD(ing) security features, such as installing the ScamShield app; C for CHECK(ing) for scam signs and to verify with official sources; and T for TELL(ing) authorities, family and friends about scams.

Mr Speaker: Ms Poh Li San.

Ms Poh Li San (Sembawang): I thank the Minister of State for her replies. I certainly agree with the importance of education. I have been also very supportive on-the-ground, for all the education efforts. I have one supplementary question. Are we prepared to trade off speed and convenience of transactions to protect our users, at least, until we see a drop in scam cases? And I was also told that seniors are now stopped being given the PayNow facility by banks. But the question is, instead of excluding our seniors from tools like PayNow, for large transaction amounts, are we able to get the banks and financial institutions to look at how they can differentiate, say, new PayNow numbers from the usual list, so that the banks can have enough time to pre-screen the numbers before these big amounts of transactions are allowed?

Ms Sun Xueling: I thank the Member for her supplementary question. Indeed, we need to balance having an efficient and effective banking system, versus having security features in place to protect our customers. As such, we have been discussing with the banks to look at whenever they are pushing out new innovative products and services, that they have a security-by-design concept and to set transaction limits at reasonable amounts to prevent possible huge losses of monies, should customers unwittingly fall prey to scams.

I have mentioned earlier that to secure banking channels, the MAS has been working with the ABS to introduce additional safeguards. This includes the removal of clickable links and emails or SMSes sent to consumers and the introduction of a cooling period for activation of a new digital token.

This particular point about the introduction of a cooling period is an important point, especially when it involves seniors. They may, unfortunately, sometimes be conned, scammed into setting up an Internet banking facility. They may unwittingly add beneficiaries to their banking services who may be scammers. And that is why the introduction of a cooling period for the activation of new services is an important step.

PROPOSAL FOR ENFORCEMENT POWERS UNDER ANIMAL AND BIRDS ACT TO BE GIVEN TO SELECTED NON-GOVERNMENT ANIMAL WELFARE GROUPS

7 Mr Louis Ng Kok Kwang asked the Minister for National Development (a) whether the Ministry has studied the effectiveness of the enforcement powers provided to inspectors with the Royal Society for the Prevention of Cruelty to Animals in England and Wales and officers with the American Society for the Prevention of Cruelty to Animals; and (b) whether the Ministry will consider providing similar enforcement powers under the Animals and Birds Act to selected non-Government animal welfare groups in Singapore.

The Senior Minister of State for National Development (Mr Tan Kiat How) (for the Minister for National Development): Mr Speaker, under the Animals and Birds Act, there are regulations and enforcement powers in place to safeguard animal welfare. Beyond putting in place laws and regulations, we take a multi-stakeholder approach to prevent cruelty to animals. For example, we work closely with stakeholders such as animal welfare groups and veterinarians to raise public awareness on responsible pet ownership.

We also take a serious view of all acts of animal cruelty. NParks investigates all feedback on animal abuse and will not hesitate to take the appropriate enforcement action.

As of now, we do not plan to confer enforcement powers to non-governmental organisations. However, we will study and learn from international best practices where appropriate, as we review and update our regulations.

Mr Speaker: Mr Louis Ng.

Mr Louis Ng Kok Kwang (Nee Soon): Thank you, Sir. I thank the Senior Minister of State for the reply. I do understand that we have an increasing number of animal welfare cases and complaints, as well, and also very limited manpower at AVS. So, could I ask whether we could study, not extending enforcement powers to all animal welfare groups, but maybe a select few, like the SPCA, who is already investigating animal cruelty on the ground?

Two, I thank the Senior Minister of State for saying that they are going to review international practices, but could we also review local ones where we have NEA already having the community volunteer programme, where they have basic enforcement powers given out to members of the public. So, whether MND can review that programme and see whether it can extend it also to AVA's work?

Mr Tan Kiat How: Mr Speaker, the short answer is, of course, we will review all local and international best practices. I sympathise and empathise with where the Member is coming from. Every time we read about cases of animal cruelty or abuse, we take those very seriously and we investigate. However, just to clarify, based on our data, we have not observed an increase in the number of animal cruelty and abuse cases over the last few years.

The number of feedback on animal cases has increased, partly because of greater public awareness of such issues. Our NParks officers and our relevant officers who are delegated the powers to investigate, look into every single feedback seriously. By far, the large majority of all the feedback is not related to animal abuse or cruelty. In fact, most of the time, they are feedback around nuisance about animals, for example, poor hygiene, smell or sometime, just neighbourly disputes. A very small proportion of the feedback is related to animal cruelty.

Having said that, there are indeed real challenges in terms of investigating those cases. The challenges include, for example, a lack of eyewitnesses or direct evidence, for example, CCTV footage, or that carcasses have been disposed for some time and post-mortem analysis is not possible, or that cases are not reported or are reported late.

That is where we work very closely with the animal welfare groups. They are valuable partners and stakeholders in this effort, raising public awareness, looking into those issues and making sure that cases are followed up quickly and expeditiously. So, I thank the Member for his suggestions and feedback. This is something we will continue to look at.

12.04 pm

Mr Speaker: Order. End of Question Time. Minister for National Development.

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

CLARIFICATION BY MINISTER FOR NATIONAL DEVELOPMENT

12.04 pm

The Minister for National Development (Mr Desmond Lee): Mr Speaker, Sir, with your leave, may I make a factual clarification to my closing speech at the 7 February 2023 Sitting, during the Motion debate on Public Housing? [*Please refer to "Affordable and Accessible Public Housing, and Public Housing Policies", Official Report, 7 February 2023, Vol 95, Issue 82, Motions section.*]

Mr Speaker: Please do.

Mr Desmond Lee: Sir, in my closing speech, I mentioned that the Proximity Housing Grant was one of the housing grants that HDB offers for the purchase of HDB flats. I would like to clarify that the Proximity Housing Grant is offered to eligible buyers only for the purchase of resale flats and not for the purchase of flats generally.

Mr Speaker: Personal explanation, Mr Leong Mun Wai.

PERSONAL EXPLANATION

12.05 pm

Mr Leong Mun Wai (Non-Constituency Member): Mr Speaker, thank you for allowing me to make this explanation. On 7 February 2023, when I was giving more details on the Affordable Homes Scheme during my closing speech for the public housing Motion, I have said the following, "will the scheme actually increase the holding cost of the buyers? I called that a breakeven price, meaning the land cost is determined today, you add on the interest payment and what would be the price going forward when the buyer wants to sell the flat in the market. The idea is that, this breakeven price should not be much higher than the current price for the current HDB owners." [*Please refer to "Affordable and Accessible Public Housing, and Public Housing Policies", Official Report, 7 February 2023, Vol 95, Issue 82, Motions section.*]

The last phrase should read like this: "this breakeven price should not be much higher than the breakeven price for the current HDB owners." I would like to make this clarification and correction for the record.

Mr Speaker: Second Minister for Finance.

BILLS INTRODUCED

SUPPLY BILL

"to provide for the issue from the Consolidated Fund and the Development Fund of the sums necessary to meet the estimated expenditure for the financial year 1 April 2023 to 31 March 2024",

recommendation of President signified; presented by the Second Minister for Finance (Ms Indranee Rajah); read the First time; to be read a Second time after the conclusion of proceedings on the Estimates of Expenditure for FY2023/2024, and to be printed.

SUPPLEMENTARY SUPPLY (FY2022) BILL

"to make supplementary provision to meet additional expenditure for the financial year 1 April 2022 to 31 March 2023",

recommendation of President signified; presented by the Second Minister for Finance (Ms Indranee Rajah); read the First time; to be read a Second time after the conclusion of proceedings on the Estimates of Expenditure for FY2023/2024, and to be printed.

DEBATE ON ANNUAL BUDGET STATEMENT

"That Parliament approves the financial policy of the Government for the financial year 1 April 2023 to 31 March 2024." – [Deputy Prime Minister and Minister for Finance].

Question again proposed.

Mr Speaker: Mr Pritam Singh.

12.08 pm

Mr Pritam Singh (Aljunied): Sir, my speech is in two parts. In the first part, I will speak about the overarching thrust of the Budget. In the second part, I will address three specific areas covered by the Deputy Prime Minister: one, Jobs and the new Jobs-Skills Integrators; two, the raising of the CPF income ceiling; and three, the increased grants for buyers of HDB resale flats.

Let me start with my views on the principal thrusts of the Budget.

At last year's Budget, which was titled "Charting our way forward together", the Deputy Prime Minister outlined the Government's approach towards strengthening Singapore's social compact. Deputy Prime Minister Wong reiterated a commitment to further improving social policies, saying that this would be a multi-year agenda to prepare Singapore for the future. The Workers' Party sees this year's Budget as another plank of that multi-year agenda. This Budget also coincides with the Forward Singapore exercise launched last June. The Forward Singapore exercise is intended to build on the expression "social compact" that was employed at last year's Budget.

My view is that Singapore's social compact must be one where we move forward together as one Singapore to tackle an unpredictable and potentially disruptive future. We must guard against a split in society, where the rich and the well-off high-earners are pitted against the rest of Singapore.

To achieve that end, significant work needs to be done. I say this because one theme that was carried by some outlets, both mainstream and online, was that this year's Budget was, I quote, a "Robin Hood" Budget. Referring to it as such pits one group, high-earners and the rich, against the lower- and middle-classes.

For those of us on the ground, our social trends are clear – a rapidly ageing population, a belief that social mobility for younger Singaporeans contrasts markedly with that in our parents' generation and a view that meritocracy has developed a perverse edge, allowing the well-off to move ahead much faster than the broad middle-class.

Aljunied GRC Member of Parliament Leon Perera will speak more on this theme in his Budget speech. These are forces that have to be properly managed and it is critical for any Government to make the fight against inequality a central policy agenda and to decisively intervene to lift those at the bottom.

It would be remiss of me to say that the Government has not made moves in this regard. In his Budget speech for example, Deputy Prime Minister Wong spent time highlighting how disadvantaged children need an early leg-up.

If Singapore does not do more, a threat that has loomed large on the horizon in the last few years, of the potential emergence of "two Singapores", may become reality.

One Singapore is connected to the world as a hub economy. It is where high salaries and opportunities abound and where locals and crucially, many foreigners too, power diverse nodes of the economy. This Singapore gives meaning to the promise and lure of Singapore and how we remain relevant to world. It is a Singapore that always strives to be at the cutting edge of global developments.

The other Singapore is one where the majority of Singaporeans live. It is one where there are perceptions of slowing social mobility, connected to the reality of high housing prices. Today, the prospect of upgrading to a condominium or a landed property, unlike in decades past, is not as realistic for HDB home owners. Buying a car is an out-of-reach luxury for most people, unlike in many other countries.

I have also heard it summarised this way. In the past, you may not have done well in school, but if you were prepared to slog and save, you could become rich and successful. Today, the view is that once you have not succeeded academically, even if you slog for years, success, let alone wealth, may not follow. These "two Singapores" could easily become a reality that causes frictions in society.

Singapore is a tiny red dot and both these Singapores would unavoidably rub up against each other. There is no countryside to retreat to, where the pace is slower and prices of things are lower than in the city. Human nature and the instincts of envy and chauvinism and a narrative of haves and have-nots can quickly poison society and accentuate cleavages. With people living cheek-by-jowl, such views can easily take root and manifest themselves in cruel ways.

As much as the Government endeavours to keep society open and bring new businesses and opportunities to Singapore and Singaporeans for the greater good, it is that second Singapore, where a very broad middle of Singapore lives and works and plays, which should never find itself unmoored and cynical about the future of Singapore.

There are some Singaporeans within the bureaucracy and they include members of the Executive and other senior civil servants, who are fixated about keeping Singapore relevant to the world, thinking of how to enlarge the pie even as they keep the other eye on making sure the pie does not get smaller. Their efforts cannot and should not be underestimated or ignored. It is not lost on many Singaporeans

including the Workers' Party that it is because of these efforts and those of their forebears that we have the capacity to propose other redistributive policies for our fellow Singaporeans today.

I note the moves through the Budget to better equalise opportunities through fiscal intervention, such as raising taxes and duties for high-end property and luxury vehicles. And I note also the policies that came through last year, such as hikes in personal income taxes. In contrast, when some commentators characterise the Budget as a "Robin Hood" budget, they reinforce the perception of "two Singapores" being created.

To combat both the perception as well as the reality in some quarters of "two Singapores" inexorably emerging, redistribution must be at the core of Government policies. To that extent, the Workers' Party supports the idea of a progressive society, where those who earn more pay proportionally more in taxes. Equally, we honour the centrality of a strong work ethic even as we are not only empathetic but also sensitive towards the disadvantaged and those who need extra support.

The interventions of the Workers' Party for this debate would be in the spirit of this review of our social compact, envisioning how best society can position itself for an unpredictable and potentially far more disruptive future.

I will now go on to the second part of my speech that will address three specific announcements in the Budget. In as much as the Budget is titled "Moving forward in a new era", a look back at the past is a useful guidepost for the new policies that are being introduced.

Onto the first point of jobs and specifically equipping and empowering workers through the Jobs-Skills Integrators, the Budget seeks to ensure that training translates into good employment outcomes. Labour market intermediaries are being developed for two purposes: first, to ensure that training leads to real jobs; and second, to ensure job placement for those who have been properly trained.

At first glance, the initiative holds much promise as many jobseekers may not have information on what opportunities there are out there, what they should train for or what organisations will need their new skills.

The Deputy Prime Minister announced that the Jobs-Skills Integrators are being piloted for the precision engineering, resale and wholesale trade sectors. To get a sense of how this initiative might fair, we should look at past efforts in these sectors.

In a 2016 press release on the Industry Transformation Map, or ITM, for the precision engineering sector with respect to digital manufacturing, the then-Minister of Trade and Industry reported that the move towards digital manufacturing would see the creation of 3,000 PMET jobs by 2020. Specifically, the press release noted that the workforce could expect strong support from the Government and that a new skills framework for precision engineering would be launched under SkillsFuture Singapore. In addition, employers and workers would be equipped with insights on career pathways for 13 occupations, job roles, and specifically training programmes. Professional conversion programmes were also promised to support the reskilling of mid-careerists who were keen to embark on new careers. Sir, what has become of these training and placement efforts and how are they qualitatively different from what the Deputy Prime Minister has proposed in the Budget?

A sum of \$4.5 billion was committed to the first Industry Transformation roadmap. When the Government was transiting to ITM 2.0, I asked in this House when the Government's report card on the first ITM would be ready. The Government replied that it was still early days and those details were not available. We have yet to hear in this House a proper accounting of the success or otherwise of the first ITM. I hope the Government can provide some details in this regard.

Separately, on job placements. The then-Minister for Manpower Minister Lim Swee Say announced at Budget 2017 that the Ministry of Manpower (MOM), specifically Workforce Singapore (WSG), had roped in two foreign job matching firms, namely Ingeus and Maximus, to help unemployed professionals with their job hunt. It was reported that Ingeus and Maximus would work on an outcome-based payment model. In 2019, WSG reported that the two appointed firms had demonstrated an ability to deliver satisfactory placement outcomes, which were comparable to that of NTUC's Employment and Employability Institute (e2i) with more than six in 10 PMET jobseekers finding jobs within two months after tapping on Workforce Singapore and e2i's career matching services. Crucially, this move came after WSG stated that it had worked with four local employment agencies, but with I quote "lacklustre results" where the placement rate was less than 50%.

I note that the new Jobs-Skills Integrators have not been named. Can the Minister tell us who they are and what KPIs will be used to determine the effectiveness of this latest pilot and which agencies will anchor this initiative? Can the Government also flesh out the fiscal outlay set aside for the Jobs-Skills Integrators?

Sir, related to the issue of jobs, Sengkang GRC Member of Parliament He Ting Ru will speak about the announcements that pertain to the Baby Bonus and more specifically work and family life in Singapore. Separately, Sengkang GRC Member of Parliament Louis Chua and Hougang SMC Member of Parliament Dennis Tan will speak on the changes to the Working Mother Child Relief.

I wish to add some comments on the extension of paternity leave. I understand some employers, particularly smaller SMEs, may find greater difficulty in accommodating two further weeks of paternity leave for their staff members because of manpower and operational challenges. It is a legitimate concern but I hope employers can empathise with the importance of strong families and the lived reality of raising children in Singapore. The time dedicated to raising children is in addition to other filial responsibilities such as spending time with our seniors and parents. This is a fact of our Asian culture. Many parents endeavour to strive hard and chase the pot at the end of that rainbow at the workplace for a better future for our children.

More paternity leave is certainly welcomed and I hope SMEs make the adjustments necessary to accommodate male employees, just the same way as they do for their female employees with respect to maternity leave.

To better negotiate this transition, employers should review the important mindset shift that the Government has sought to cultivate for some years and that is the hiring of mature workers. SMEs should adjust and constantly reconsider their HR policies and job scopes to hire seniors permanently, with a view to make up the temporary absences of younger staff not just due to either paternity or maternity leave, but also due to those unplanned days and events where young children fall ill and parents scramble to make alternative plans.

For this reason, I support the extension of the Senior Employment Credit (SEC) up to 2025. The SEC pays up to 8% of wages, up to a salary of \$4,000 a month. However, for workers between the ages of 55 to 64, this contribution from the Government pays only up to 3% of wages. For example, a company that hires a worker who earns \$3,000 and is between the ages of 60 and 64, the company would get about \$90 for that senior hire.

I believe employers can be given more support to encourage them to hire senior workers. Studies should be carried out to see how the SEC can be increased to better motivate employers to hire seniors. In view of our rapidly ageing population, has the Government undertaken any studies to consider the fiscal impact of raising the SEC?

There must be an upside for employers as we undertake this cultural shift towards making the workplace more family-friendly. Notwithstanding the efforts thus far, greater support towards senior employability will open new vistas for our SMEs.

Sengkang GRC Member of Parliament Jamus Lim will cover other Budget initiatives for businesses such as the Enterprise Innovation Scheme and advance other important Workers' Party alternatives, whose time we believe have come, such as the Redundancy Insurance.

One additional point on paternity leave I wish to address is that some have commented that men be excused from their NS duties for the year they are child is born. Speaking as an NSman, I would be very cautious about moving in this direction. I would suggest leaving it to unit commanders to determine how best to accommodate the specific requests of their servicemen as they have been doing so for many years already. If a unit is having a major exercise of conducting a critical operation, the needs of the Singapore Armed Forces (SAF) or the Home Team agencies cannot and should never be compromised.

Sir, the second Budget announcement I wish to address is the move to help middle-income Singaporeans save more for their retirement by the raising of the CPF monthly salary ceiling. CPF rates and income ceilings have been used as a macroeconomic counter-cyclical tool in decades past to combat recession, help employers save jobs and the prospect of slower economic growth.

The Finance Minister stated that the salary ceiling was last raised in 2016. While this is correct, it should be noted that the salary ceiling of \$6,000 was first put in place in 1985. In response to economic uncertainty, it was reduced to \$5,500 in 2004 and further reduced to \$4,500 in 2006 before re-establishing itself at the 1985 of \$6,000 only some 30 years later in 2016.

There is much catching up to do with respect to retirement adequacy, particularly since so much of our CPF funds are dedicated to housing. Because of the importance of retirement adequacy in the longer term, the Workers' Party supports the rise of the income ceiling to \$8,000. However, I have a few questions for the Deputy Prime Minister.

First, in view of the policy reason for this new salary ceiling which is to allow Singaporeans to save more for retirement, I am of the view that it would have been appropriate to simultaneously reconsider the percentage of CPF funds credited into the three CPF accounts with a higher proportion allocated to the Special Account.

For example, currently out of 37% of total wages for a member aged 35 and below, 23% of the CPF contributions is allocated to the Ordinary Account. The contribution to a member's Ordinary Account drops to 21% when the member turns 36 years of age and is gradually reduced in five-year intervals to reach only 12% when a member returns 56.

In contrast, contributions to the Special Account increased from 6% to 7% when a member turns 36 years of age and peaks at 11.5% between the ages of 50 and 55. To achieve the Finance Minister's policy intent of better retirement adequacy, a reduction in the range of 1% to 2% in the allocation to the Ordinary Account from one's early years in favour of the higher interest-bearing Special Account in step with the salary ceiling hike would serve the retirement needs of Singaporeans better. The CPF system after all is designed primarily for our retirement needs. May I ask the Minister if such a redistribution was considered; and if not, why not?

On this point, Mr Speaker, numerous studies have been conducted on the income replacement rate, or IRRs of pension funds worldwide. The IRR is the ratio of retirement income to pre-retirement income. The World Bank recommends that countries should aim for an IRR of 53% of net final year wages or 78% of net average lifetime wages. For many, their CPF LIFE payouts are unlikely to meet this threshold since much of our CPF funds are locked up in housing.

The Deputy Prime Minister stated that the Government was considering what more can be done to enhance retirement adequacy in its Forward Singapore deliberations. The decline in retirement adequacy in the past was mitigated by the appreciation of home values. However, the Government has also stated that housing is unlikely to see steep rises in value as in the past.

The Government should begin a deep conversation to re-centre the CPF system towards its original purpose, especially as the cycles of job disruption, job redesign and job obsolescence become more pronounced and frequent in the face of rapid technological advancement.

There have been suggestions made most recently by former Nominated Member of Parliament Walter Theseira to reduce the usage of CPF funds for home purchases. This call was met by consternation from the public because of the already high prices and the reduced affordability of housing. However, achieving better retirement adequacy would require a hard look at how much the CPF system dedicates towards home ownership. More affordable public housing will inevitably improve retirement adequacy.

This leads me to the next part of my speech – the announcement that CPF grants will be increased, which is for the ostensible purpose of making resale flats more affordable for first-timers. Sir, over 6 and 7 February this year, this House debated the Motions on affordable and accessible housing. Some 10 days later, the Leader of the House was quoted in The Straits Times saying, "but I think in the longer term, we are looking to see how we can make housing more accessible and affordable".

From this it would appear that at the highest levels, the Government intends to intensify its efforts in this regard. Also, in a Facebook post of 12 February, the Minister for National Development alluded to going beyond building an additional 2,000 to 3,000 short-wait flats by 2025. The Minister said that the HDB will recalibrate its building programme from 2025, so that short-wait time flats form a larger proportion of our new flat supply than before.

While the details for the moment are restricted to broad thinking, these public pronouncements were followed shortly by the Deputy Prime Minister's Budget Day announcement of higher CPF grants for resale flat buyers.

Almost immediately, there were concerns about the impact of such measures on house prices by property watchers, especially for larger flats and those in popular areas. Would they feed into higher prices and only make a future correction even sharper when the reality of lease decay for resale flats set in? I hope the Minister can share the Government's thinking behind this move and the assessment of its intended effects, particularly in view of 11 quarters of growth in HDB resale prices.

While these additional grants may appear on the surface to be a panacea, there is a real prospect of home prices rising to match the new grants for eligible first-timers. This could happen as a response to the increase in grants. But more likely, price rises could happen because buyers will be tempted to bid more for a flat they want because they know they have the additional grant to enhance the price they can pay. Aljunied Group Representation Constituency (GRC) Member of Parliament, Gerald Giam will further elaborate on the affordability of resale flats in his speech.

More fundamentally in line with the renewal of the social compact through Forward Singapore, would the Deputy Prime Minister share more details on the differences between the valuation of land for public and private use? I asked some questions about this recently in this House and asked if the establishment of a committee akin to the Land Working Group of the Economic Review Committee of 2002, but one that would include Ministry of National Development (MND) and Housing Development Board (HDB) to review the principles of how land is sold for public housing would be something the Government would consider.

Specifically, I also call for an understanding of the principles and rationale behind the market discount of up to 15% of land allocated for Government land sales and industrial Government land sales and the sale of some private land even below this market price threshold.

In addition, I enquired how such sales of private land below market valuation intersected with the Government's call that HDB land not sold at market valuation would amount to a raiding of the reserves. The Government should reply to these questions which are asked with a view to considering alternative approaches the valuing of land for 99-year leasehold public housing. These are questions that members of the public are interested in, particularly since the details and principles of this subject have not been significantly ventilated in public.

To illustrate the public interest in this matter, on 11 February, Gov.sg released a set of infographics on Telegram. The lead slide was titled "Does disregarding land cost mean BTO flats will be cheaper?" The second last slide put across the Government's narrative as follows: "Selling land below fair market value = eroding reserves. This diminishes resources available for you and your children." As of 21 February, 176 individuals gave the post the thumbs up while a far larger 553 individuals chose the emoji which I would describe as showing they were not being convinced.

In the spirit of refreshing our social compact, I renew my call for the Government to also release the price of land for specific public housing, projects and their associated subsidies on a BTO project basis, so that Singaporeans can more meaningfully engage the Government in the course of the Forward Singapore exercise.

Before I round up, I mentioned in the first part of my speech that the Budget titled "Moving Forward in a New Era", would find the past to be an important reference point. The release of an occasional paper by the Ministry of Finance earlier this month on medium-term fiscal projections has been helpful to the extent that it responds to the calls by the Workers' Party at the last Budget for additional details on medium-term projections. Singaporeans would recall that this was a call that had been made even earlier when the Goods and Services Tax hike was first mooted. Like the Finance Minister's Budget, the occasional paper was unable to shed significant light on the impact of the Base Erosion and Profit Shifting 2.0 (BEPS) on our fiscal position. However, it did hypothesise the prospects of greater corporate tax revenue collection under Pillar Two, which it said is expected not to deliver any fiscal upsides as any additional revenue would be ploughed back to encourage investments into Singapore by way of grants.

With the Minister's announcement in this Budget to top up the National Productivity Fund by \$4 billion for, I quote, "investment promotion", the impact of BEPS is likely to be a significant question mark with regard to the Ministry's medium-term fiscal outlook. Sengkang GRC Member of Parliament Louis Chua will speak more about BEPS and share his analysis of the Budget in his speech.

Be that as it may, the Workers' Party looks forward to more of such papers and recalls its proposal two budget cycles ago for the establishment of a Parliamentary Budget Office for a closer scrutiny of the Government's budget. In view of tighter fiscal environment in the years to come as predicted by the occasional paper, such an office would hold much promise for greater Parliamentary and public scrutiny on Government expenditure and whether programs are worth the taxpayer monies that have been allocated to them.

In conclusion, Sir, in an Institute of Policy Studies' Study of Social Capital in 2017, the report stated, the sharpest social divisions in Singapore may be based on class, instead of race or religion. The perception of two Singapores that we must guard against which I raised earlier in my speech reinforces the point that fiscal redistribution, better social protections and greater support for our most vulnerable Singaporeans must remain a mainstay of our future budgets. It is imperative that policies should be continually refreshed and reviewed, including the applicability of the principles they were originally based on. Singapore, a young country, where Singaporeans feel, live and experience the emotions of nationalism and citizenship must continue to thrive in a fair, broad and balanced way, so that we leave a better future for today's generation and those that come after. Mr Speaker, the Workers' Party supports the Budget.

Mr Speaker: Mr Liang Eng Hwa.

12.36 pm

Mr Liang Eng Hwa (Bukit Panjang): Mr Speaker, as in every Budget, there is always some "give and take" on the part of everyone. I will first speak on the "give and take" part and thereafter, on Singapore's longer-term positioning in the new era.

Sir, Budget 2023 gives Singaporean households a major lift to tide through the period of high inflation and defray the impact of higher Goods and Services Tax (GST) rates. The further upsizing of the Assurance Package and the permanent GST Vouchers, coupled with the newly introduced Cost-of-Living Special Payments, the increased Community Development Council (CDC) Vouchers, doubling of U-Save and topping up of the Child Development Account (CDA), demonstrates the Government's commitment to journey through this difficult period of rising cost with Singaporeans.

The various support measures have been thoughtfully formulated with significant cash component and targeted assistances towards essential cost items like electricity, Service & Conservancy Charges (S&CC), medical and education.

For the businesses, the Enterprise Financing Scheme and the Energy Efficiency Grant are extended to help companies weather the immediate challenges of tighter financial conditions and higher energy prices.

This Budget also enhances various measures to support Singaporeans at various stages in life and in various circumstances.

Sir, I can understand the angst of young Singaporeans wanting to own their homes at the soonest possible time. I welcome the further measures to help first-time home buyers improved chances of owning Build-To-Order (BTO) flats with the additional ballots as well as the higher CPF Housing Grant to help first-time home buyers purchase resale flats as another option.

In my conversation with young parents, many told me that while they cherish the joy and fulfilment of being a parent, they are often worried about the costs of raising their children. Understandably, we all want the best for our kids.

Currently, there are already a generous set of support package such as the Baby Bonus Scheme, preschool and education subsidies to support parenthood as well as the various tax benefits. But every bit of additional help the Government can give to our young parents would be most appreciated.

Sir, while I applaud the increased Baby Bonus and CDA, which would avail more disposable cash to parents to meet the costs of raising their child, I do receive mix reactions on the changes to the Working Mother's Child Relief (WMCR). Middle-income group parents will see some cash impact with the WMCR no longer pegged to a percentage of income.

On the seniors' front, we can expect the healthcare needs to increase in the years ahead. I am already seeing these increases in my constituency at Bukit Panjang, where there are more requests to help pay for healthcare related and hospital expenses. We are also building more senior care centres at the neighbourhoods to serve seniors who need more longer-term chronic care services at more convenient locations.

Hence, I support the top-ups of the Eldercare Fund by \$500 million and the Medifund by \$1.5 billion. These are the funds that we often tapped to help our senior residents meet their ageing related expenses.

The extension of Senior Employment Credit (SEC) and Part-time Re-employment Grant are helpful support to enhance seniors' employability, while the increased co-funding share for Progressive Wage Credit Scheme, Enabling Employment Credit and the Uplifting Employment Credit are meaningful additions to support the more vulnerable segments of our society.

These moves, among others, are part of the overall effort to build a stronger social compact and a more compassionate society.

Sir, but as in every budget, besides the giving by the Government, there will some taking as well. Budget 2023 outline some policy adjustments that would have some impact to Singaporeans.

The higher marginal Buyer Stamp Duty for higher-value properties and the upward adjustment of the Additional Registration Fee (ARF) is very much in keeping with our approach to steepen the progressivity of our tax structure and where the better-off contribute more.

The 15% increase in tobacco tax would add costs to smokers, of course, but I hope that it would help discourage the overall consumption in tobacco products.

Sir, at Bukit Panjang, we have a Platform Delivery Workers Support Group where I regularly met and engaged the delivery workers. While they appreciate the good intention of Government to improve protection and retirement adequacy, they are also very concerned on how the changes to CPF contributions and other implementations would impact the viability of the delivery business and eventually their livelihoods.

So, I would appeal to the Government, to not only provide transitional support to these workers but also dedicate resources to help with the reskilling and re-employment should their livelihoods be impacted. We will await more details on the transitional support in the MOM COS debate.

One other measure that I have also heard concerns is the phased increase of the CPF monthly ceiling to \$8,000. As inflation is expected to stay elevated in the next few years, my concern is that raising the ceiling at this juncture would add further cost pressures to businesses and also reduce the take home pay of middle-income households, just when they need the cash to meet the higher cost needs. While I can understand and support the rationale for the raise, I hope that the Government can review the implementation timing of this measure.

Sir, while our budgets do tackle the immediate challenges and offer timely and targeted relief, a budget should not be an exercise just about "what's in it for me" or otherwise. Beyond about how we slice the pie and who gets what, budgets must also be about how can we grow the pie bigger. And here we must not lose sight on the need to grow our economy.

A growing and vibrant economy not only create good jobs; which is the best welfare for workers and best counter against inflation, but growing the economy also generate revenues to pay for our needs and wants. The troubling external environment has made growing our economy an even more uphill task.

The US-China strategic competition continues to intensify and more countries are taking steps to shore up their economic security, through policies to safeguard strategically important technologies and data. We have also seen countries attempting to decouple in areas of trade, technology, finance, investments and people flows.

The US has introduced the US Chips and Science Act while China has also implemented the China Export Control Law, just so that they reduce their vulnerabilities and dependence on other countries.

Last year, the US introduced the US\$369 billion Inflation Reduction Act. The original intent is meant to finance sustainable transition in America. However, it now appears more like a state-funded industrial policy plan. The Act has trigger EU and other countries to call for their own policy response measures to rebalance the playing field. These developments will have profound implications how Economic Development Board (EDB) and our agencies attract direct investments into Singapore.

Against this increasingly complex and volatile operating environment, Singapore is also running up against serious resource constraints among others – our ageing resident workforce and rising wage aspirations, carbon constraints and longer-term fiscal constraints. The growing pain question is: how can we continue to grow in a setting of an almost full-employment economy?

Economically, we are not only in full employment of our domestic economic inputs. We are leveraging on significant pool of foreign labour to stretch our overall growth potential; which brings to my next point on economic competitiveness. How do we stay competitive in this daunting external and domestic landscape?

Business costs have risen significantly in the last two years. Though much of it are externally induced such as the rising prices of energy and materials imports, we do increasingly face domestically driven costs pressures. Rising wages, escalating rentals, higher financing costs, impending higher carbon taxes, among others, would have the overall effect of diminishing our economic competitiveness vi-a-vis our competitors and negating the favourable economic attributes that we have.

Therefore, we need an even sharper prioritisation in the allocation of our resources going forward and to pace our policy initiatives roll-out so that it would not add further constraints and tightness in our resource utilisation. In other words, we must pick the battles that play to our strength.

The Deputy Prime Minister and Finance Minister spoke about redoubling our efforts to attract high quality investments and to focus on growth sectors that we can be highly competitive, such as finance, transportation, logistics and advanced manufacturing.

Innovation is another key ingredient. To nurture and sustain pervasive innovations, the new Enterprise Innovation Scheme is introduced, under which tax deductions are enhanced. There is also a new cash conversion component of up to \$20,000 for companies yet to turn profitable.

To help support scaling up of the local enterprises, the SME Co-Investment Fund and the Global Enterprises initiative are there to invest and support promising companies to internationalise and to seek global markets. But, ultimately, to overcome our inherent resource constraint, we need to significantly beef up productivity as an economic system.

Sir, I welcome the expansion of the scope for the National Productivity Fund to include the promotion of quality investments in Singapore as a supportable activity. While we continue to work on upskilling our workforce, the productivity of work is not solely dependent on workers.

A company's overall productivity to a large extent depended on management, how resources and workflows are designed and organised, harnessing the use of data, technology, innovation and creativity to invigorate efficient solutions.

We need a more ecosystem approach to rev up productivity and I hope that the ITMs that we have set up can galvanise industry stakeholders to work productively towards this cause.

The Jobs-Skills Integrators is a refreshing approach to tackle stubborn jobs-workers mismatches. This is akin to having relationship managers bridging the information and connectivity gap between employers and jobseekers. So, I applaud the Government for getting down to the micro level to close the gap. It shows the Government's resolve and commitment to improve employability of Singaporeans. I look forward to more positive outcomes in this endeavour.

Mr Speaker, I am heartened that the Deputy Prime Minister has also devoted a significant part of his Budget Statement speech on building national resilience. The COVID-19 pandemic and the effects of the war in Ukraine further underscored the critical importance of being resilient against external shocks, catastrophic events, or a devastating crisis.

During the pandemic, we experienced various supply disruptions, including sudden export restrictions on essential items by countries. The economic blockade on Qatar by its neighbours in 2017 is another reference point. With land, air and sea lanes cut off by its neighbours, the population in Qatar were immediately hard hit by rising food prices and job insecurity. It had to quickly find alternative sources of supplies and to also boost domestic food production.

Singapore has always taken the mindset that there will be a crisis around the corner waiting for us, whether it is the stockpile of food and various essential materials or our Four National Tap strategy for water or our Four National Switches strategy for energy, Singapore will always plan for various scenarios, invest in total defence and be operationally ready for any emergencies.

The war in Ukraine has triggered a major energy crisis in Europe with countries like Germany which heavily depended on Russia for piped gas for their electricity generation, among those most impacted.

And this has led to a major scramble to build LNG terminals to import liquified natural gas to replace the lost supplies from Russia.

Fortunately, in Singapore, our LNG terminal was built more than a decade ago at Jurong Island. It allows us to import natural gas from just about anywhere in the world and not having to depend solely on piped gas. This terminal has not only contributed to our energy security. It has also enabled us to be a major player in the LNG market and help position Singapore as a LNG hub for the region.

At a cost of about \$1.7 billion, the terminal was a major financial outlay for the Government then. So, credit goes to Ministry of Trade and Industry (MTI) and Energy Market Authority (EMA) for the foresight and their will to press on with this massive project. I believe Deputy Prime Minister Lawrence Wong was the Chief Executive of EMA then and got the project off the ground.

Sir, my point to illustrate this example is that resilient building also requires significant financial commitments and hence, the need to have the adequate fiscal capacity. There are many more strategic projects that are needed to be built to strengthen resilience, to reduce our vulnerabilities – infrastructures, such as climate adaptation, energy diversification, food security and so on, which is why we need to continually strengthen our finances and not the other way round.

Our best defence against any future external shocks, whether it is a black swan event or any catastrophic incident is responsible and prudent fiscal management today.

Sir, the recently released Ministry of Finance (MOF) Occasional Paper signposted our medium-term fiscal challenges. We are heading towards a spending milestone where expenditures is projected to hit 20% of our GDP. Our operating expenditure will keep rising and at a faster pace in the years ahead. Healthcare, education, wage subsidies, security and other social spending are the expected key drivers.

Even in the non-operating expenditure areas, there are also a long list of infrastructural spending items, whether it is investment for capabilities building or for building a more resilient home.

We also need to keep the powder dry, so as to have the fiscal firepower to respond to external shocks or major disruptions which is likely to happen more often, in my view, going forward, and can be even more impactful than the pandemic that we have experienced.

So, we cannot afford to decumulate or stop building our reserves.

Reserves are not only to buffer against a crisis but its returns are also a main source of income to finance the budget, as well as to help maintain confidence in Singapore. Sound, prudent and fiscal management today will enhance our survivability, give us the safety cover when needed and importantly, position us strongly to seize the opportunities in the new era. Sir, I support the Budget.

Mr Speaker: Mr Foo Mee Har.

12.52 pm

Ms Foo Mee Har (West Coast): Mr Speaker, Budget 2023 coincides with Singapore's DORSCON level finally reverting to green. This is after three long years of restrictions, shielded by extraordinary Budget measures. Even as Singaporeans return to their lives they were accustomed to, the effects of the pandemic coupled with the Ukraine war, has left the Government dealing with the significant inflationary

pressures in a more fragmented world. We are debating Budget 2023 one year after Deputy Prime Minister Lawrence Wong was endorsed as the leader of Singapore's fourth generation (4G) political leadership. So, this Budget sets the tone for the years to come.

I am heartened by the Government's decisive moves to address Singaporeans' needs and aspirations. They form the headline in this Budget. These include a slew of pro-family initiatives, coupled with generous support to cushion cost of living pressures and measures to bolster retirement adequacy. Budget 2023 will give Singapore's social compact a significant boost.

But amidst all this good news on continuing support for Singaporeans, Deputy Prime Minister Wong did not shy away from warning us about the sustainability of such Government support. In fact, some economists have cautioned that Government handouts, such as GST Vouchers and our cost of living support measures may increase demand and further stoke inflation pressures. This has, in fact, already happened in other countries where huge government handouts had created a vicious escalation in prices. So, I would like to ask Deputy Prime Minister for his assessment of such risk in Singapore.

Sir, I would like to focus my speech on our need to stay competitive and relevant in the new world order. This is because redistribution is only possible if the economy continues to grow so that benefits of the growing pie from healthy tax revenues can be shared.

Singapore's continued growth in the new era of global development is not guaranteed. It is predicated on our ability to navigate the volatile and uncertain operating environment to steward industries, enterprises and our workers toward long-term, sustainable growth.

Sir, the constant gripes from our business community are around escalating costs and manpower shortage. To employers, especially our SMEs, these Budget measures, such as the raised CPF monthly salary ceiling and the doubling of paternity leave, are like adding fuel to the fire. Even before they have had the chance to fully digest impact of earlier moves, such as cost increases associated with Progressive Wage Model and CPF contribution rate for older workers, employers feel overwhelmed by another flood of pro-worker initiatives.

Sir, it is unfortunate that there is no silver bullet for the longstanding manpower challenges confronting businesses. The war on talent is increasingly a world-wide phenomenon. We have seen moves made by other countries, such as UK's Global Talent Visa and Hong Kong's Top Talent Pass Scheme, designed to attract talent from around the world. Even China, who has traditionally thrived on their pool of over 300 million migrant workers to maintain their reputation as the "Factory of the World", now struggles to attract workers back to their big factory hubs.

So, employers must accept that the tight labour market is here to stay. They must embrace this new normal where the balance of power has shifted from employers to employees. They must up their game in offering compelling value proposition to attract and retain staff, rewarding them fairly, engaging them skillfully and investing vigorously in their capability development.

Sir, through SkillsFuture, we have successfully ignited the movement to embrace lifelong learning. Deputy Prime Minister Lawrence Wong announced the introduction of Jobs-Skills Integrators to further strengthen the SkillsFuture ecosystem. This is a welcome news. We need to urgently shift to a higher gear in order to make training truly count. The task of linking workers' training to securing good jobs is a huge challenge. This requires fundamental changes in how the current lifelong learning ecosystem is set out and governed.

This is an area where strong Government intervention is needed, in the setting of standards, the rallying of stakeholders and the provision of resources beyond the simple training subsidies.

Evidently, Deputy Prime Minister has set his sights squarely on fixing this, and I look forward to understanding Government's plan to take SkillsFuture forward in the upcoming Ministry of Education (MOE) Committee of Supply (COS) debate.

Mr Speaker, our overall response to the revamp of international tax rules under Base Erosion and Profit Shifting (BEPS 2.0) initiative, will be important. We have historically leveraged tax incentives to encourage multi-national enterprises (MNEs) to place high value functions in Singapore. BEPS 2.0 will impede Singapore's use of tax incentives to attract new investments, requiring us to compete on other capabilities to anchor quality investments.

Deputy Prime Minister Wong announced that the implementation of Singapore's Domestic Top Up Tax (DTT) is currently planned for 2025. He also announced the \$4 billion top-up of the National Productivity Fund to include investment promotion as a supportable activity, along with a very generous new Enterprise Innovation Scheme (EIS) with up to 400% tax deductions on qualifying expenditure, with potential to enjoy tax savings of nearly 70% of investments.

The question is whether such moves will be sufficient to attract business investment into Singapore during this period of global change. Other countries, such as US and China, are rolling out vast subsidies to build up their strategic industries. Countries in the region are also strengthening their competitive positioning with respect to costs, manpower and energy. The transition to a low-carbon future will also present significant challenges given Singapore's inherent limitations in energy resources.

So, Sir, there is no shortage of support schemes to help companies based in Singapore build capabilities and invest in innovation. On top of these, the Government has committed significant resources to R&D over the years, including investing \$25 billion from 2021 to 2025 to catalyse research, innovation and enterprise.

MNEs who operate across jurisdictions understand the attractiveness of our schemes and are well-positioned to take full advantage of the benefits the schemes offer. We have also nurtured a vibrant start-up ecosystem in Singapore, including a cohort of Singapore-based unicorn startups with valuation exceeding US\$1 billion.

But more can be done to help our SMEs leverage public R&D and innovation capabilities to build new products and solutions. This will require a closer nexus to be drawn between them and our public research institutes and Institutes of Higher Learning. Catalysing high-impact research and translating them into enterprising innovations that benefit industry and society, should be a prioritised KPI when granting research funds. Sector-based innovation roadmaps and solutions are the way to go, in nurturing an innovative SME ecosystem.

Sir, one distinctive strength that has always stood in Singapore's favour is our trusted brand.

Our trust quotient has now been further strengthened by the way in which we navigated the pandemic. Investors value our open economy, as well as the safety, reliability and transparency that the Singapore system accords them. With MNEs building resilience to secure their supply chains post COVID-19, we must leverage our trust premium to seize the re-shoring opportunities. We should also fully leverage this window of opportunity to expand key sectors such as finance, services, logistics and transport and manufacturing to leap forward.

Sir, for FY2022, I applaud the Government for rolling out three successive packages, totally more than \$3.5 billion, that were not in the original budget to address cost of living concerns, especially for the lower- and middle-income families. This is funded entirely from stronger than expected revenues. Rather than record a surplus, the Government acted nimbly and tapped into its fiscal space to help people cope with inflation. I think that is commendable.

Special transfers, including top-ups to endowment funds and trust funds, were revised to \$9.2 billion in FY2022, representing a \$2.9 billion increase from the estimated figure.

This I would like to ask the Deputy Prime Minister to share the reasons behind the top-ups and how this may impact Singapore fiscal space in the years to come.

Mr Speaker, I would now like to speak on Singapore's fiscal challenges. The Occasional Paper put out by the Ministry of Finance projected a fiscal gap of \$7.5 billion to \$15 billion over the medium term from 2026 to 2030 mainly to fund healthcare, uplifting lower-wage workers and improving childhood education. The projections have not factored in future policy moves such as additional spending to further strengthen our social compact and economic competitiveness.

It is clear that the Government will need to continue to review and adjust its fiscal strategies.

Taking the cue from the Government's recent tax moves, it is right that we continue to make our taxes progressive, as in the case of this year's increase in stamp duties for higher-end properties and luxury cars. On other areas worthy of review include a lift in gambling and alcohol taxes, as well as introducing tax on sugar.

With limited fiscal space, it is imperative that the Government continuously review schemes to assess value for money and have the discipline to retire programmes appropriately.

Lastly, we need the fiscal buffer to give ourselves enough capacity to deal with future shocks, including black swan events like the COVID-19 pandemic, as mentioned by my hon Member, Mr Liang Eng Hwa. Sir, I agree with the Deputy Prime Minister's position that our financial reserves are our greatest insurance. With that, Sir, I support the Budget.

Mr Speaker: Mr Leong Mun Wai.

1.06 pm

Mr Leong Mun Wai (Non-Constituency Member): Mr Speaker, Sir, we welcome the financial assistance that the Deputy Prime Minister has announced in Budget 2023 to help Singaporeans cope with the rising cost of living and inflation. However, we are not sure whether more of the same short-term ad-hoc financial assistance will strengthen the resilience of Singaporeans and help them move forward in a new era.

The dozens of short-term handouts, like CDC vouchers, Assurance payouts, our Cost-of-Living Special Payment, Public Transport vouchers, and so on, are more likely to breed dependency – "what is in it for me?" – but unlikely to strengthen resilience.

We have said many times in this Parliament, that we need long-term programmes to give Singaporeans Comfort over their current and future financial positions. Before they can concentrate on becoming Innovative workers and enterprising risk-takers to build Singapore into a competitive information economy.

We do not understand why the Government is reluctant to implement long-term programmes. Although, according to our estimates, Singapore has sufficient fiscal resources to fund these programmes without drawing on the national reserves. The Government likes to argue that alternative policy proposals will raid the reserves. But Singaporeans should note that this is a baseless allegation.

Singaporean should have guessed, from the COVID-19 experience, how large our reserves are and how strong our fiscal position is. If we do not have that, the Government would not be able to commit to a \$100 billion COVID-19 response package, which is equal to more than 20% of Singapore's GDP in 2019.

In the end, the Government spent a total of \$72 billion, fighting COVID-19. But the interesting part is how the Government has funded it. The Government did not need to draw \$72 billion from the reserves but only \$40 billion because it was able to find \$32 billion of excess fiscal resources in the Budgets of 2020 to 2022 to fund the balance.

On top of that, in the same three years, the Government was able to set aside \$24 billion from the Budget to top up various endowment and trust funds whose spending are for future years.

Hence, we can say that there is a total of \$56 billion – \$32 billion plus \$24 billion – of excess resources in the Budgets over the past three financial years. This translates into an annualised amount of about \$18.7 billion a year.

This amount is roughly equal to the Net Investment Return Contribution (NIRC) allocated to the Budget each year. This is proof that the NIRC has always been a slack in the Budget, which is normally not used to benefit Singaporeans in the year it was allocated.

The Government has argued that the NIRC is pooled with the rest of the budgetary resources and used for other purposes. But by setting aside a sum of money almost equal to the NIRC in trust funds and endowment funds. It is equivalent to not spending the NIRC in the current year.

In fact, there may be more slack in the Budget because we cannot understand why the total expenditure has stubbornly stuck at the \$100-billion level in 2023. The total expenditure was only \$75 billion in 2019, the year before the COVID-19 pandemic. It shot up to \$100 billion from 2020, presumably for fighting COVID-19.

Hence, we have expected the expenditure to drop significantly in 2023 as we wind down the exceptional COVID-19 expenditures.

We look forward to the Deputy Prime Minister explaining with specific figures why the total expenditure has not come down.

However, even ignoring the potential spending cuts, it is quite safe to say that we have excess fiscal resources each year, mainly from the NIRC, which can be deployed more proactively for the benefit of low-income and middle-income Singaporeans. In 2023, the NIRC has reached a new record of \$23.5 billion.

The Progress Singapore Party (PSP) has always been confident that we have excess fiscal resources from the NIRC and other potential spending cuts. That is the reason why we have argued during the Budget 2022 debate, that there was absolutely no necessity to increase the GST and other taxes to increase revenue.

This year, PSP will present an alternative Budget with long-term programmes to give Singaporeans an idea how our budget can be restructured to better strengthen their financial security.

First, the alternative Budget will implement the Affordable Homes Scheme and Millennial Apartments Scheme to reset the public housing policy. This is a single most-important long-term structural programme that will boost the financial security of Singaporeans.

In Budget 2023, the Government has increased the CPF Housing Grant to help young Singaporeans buy resale flats. While we agree that young Singaporeans need help with affordable housing, the CPF grant may not be the best solution because it will further inflate the resale market.

This will necessitate higher CPF grants in the next round and the cycle will repeat itself. In order to get out of this vicious cycle, we need a more fundamental solution and PSP has proposed the Affordable Homes Scheme and the Millennial Apartments Scheme as one policy option. With the schemes, every Singaporean in each generation will enjoy an affordable HDB flat to start a family, without sacrificing his retirement in the future.

So, we do not understand why the Government said such schemes would negatively affect the future generation.

To counter other narratives that the Government is spreading, we would also like to reiterate that the schemes will not cause a sharp fall in resale prices because the demand and supply situation remains tight and the Affordable Homes sellers will need to sell above current resale prices in order to earn a profit.

On the other hand, Singaporeans who want to sell their flats after the Minimum Occupation Period need not worry about paying a big clawback because the breakeven price for a seller will be roughly the same whether under the current BTO scheme or the Affordable Homes Scheme.

The Affordable Homes Scheme and Millennial Apartments Scheme will not draw down the reserves. Although land cost is waived for Singaporeans who live in HDB flats for their entire lives, most Singaporeans aspire to upgrade and about half to two thirds of the deferred land cost will be paid to the reserves eventually. In the alternative Budget, we have budgeted \$2 billion a year from the excess fiscal resources to reflect the upfront investment cost.

Second, the alternative Budget will promote the financial security of middle-class Singaporeans as a priority.

It is the decline of the middle class that has given rise to the "two Singapores" that the Leader of the Opposition has described just now. While the middle class may not be a homogenous group, it stretches roughly from the 20th percentile to the 80th percentile income brackets and is the group targeted by the Government for spreading the tax burden over as wide a spectrum of the population as possible. In contrast, the top 10% income bracket is doing well because Singapore's tax regime favours them and the bottom 20% do not pay taxes.

It is not wrong as a fiscal principle to spread the tax burden as widely as possible. However, middle-class Singaporeans are already overtaxed relative to their income. Personal income may be low but there is a whole range of indirect taxes they pay: the GST, high housing prices, stamp duties, MediShield and CareShield premiums, COE, ERP, ARF, foreign domestic worker levy and so on.

During Budget 2022, besides the GST, we have spoken out against the property tax increase which affected middle-class Singaporeans. This year, the stamp duty and ARF increases will affect them again.

In the alternative Budget, PSP proposes that some of the tax increases of Budget 2022 and 2023 should be reversed. GST will be reverted to 7% and property taxes for owner-occupied properties will be restricted to those with annual value of more than \$50,000. The stamp duty increase will be limited to properties that are worth more than \$3 billion and the ARF increase will be limited to cars with Open Market Value (OMV) of more than \$60,000.

PSP believes if tax increases are really necessary, they should be targeted at wealthy individuals and corporates.

PSP would also budget \$4 billion for the nationalisation of the MediShield and CareShield schemes, which we first recommended during Budget 2021. This will relieve, especially middle-class and senior Singaporeans, of the anxiety over ever rising healthcare insurance premiums.

After the HDB flat, healthcare expense is the largest drain on the CPF savings of Singaporeans. While we should maintain the MediSave Account for Singaporeans to share in their healthcare expenses to prevent over-consumption, the existence of multiple healthcare insurance schemes has added unnecessary costs and complications to the healthcare system. By taking over the whole healthcare insurance, we hope the Government will be in a better position to develop an optimal healthcare system together with the new Healthier SG initiative.

Third, PSP is very concerned about the job security and job prospects of Singaporeans. The Government should always be mindful that Singaporeans are disadvantaged when competing with Employment Pass (EP) holders who are exempted from CPF contributions. While we welcome the move to increase the contribution cap to \$8,000 to boost retirement adequacy, it will exacerbate the disadvantaged position of the Singaporean PMEs relative to the EP holders.

In the alternative Budget, to level the playing field between Singaporeans and foreign employees, PSP will introduce a \$1,200 monthly levy on EP holders, which we have recommended since 2021. This EP levy is estimated to generate additional revenue of \$2 billion to \$3 billion, which will add to our excess fiscal resources.

In Budget 2023, there is one positive change in the Government's approach, which is the Jobs-Skills Integrator programme. Finally, the Government realises that the funding of skill training should be tied to specific job prospects.

We have always been skeptical about the nearly \$1 billion of annual spending on SkillsFuture and all the other spending on retraining and placements of Singaporeans who have lost their jobs, because it is unrealistic to expect all Singaporeans who have been displaced by foreign PMETs to acquire totally new skills and join new sectors. We should have focused our spending on training Singaporeans to acquire skills that help them to hold on to their existing jobs or find jobs in fields with similar required core competencies. A good manpower policy is one that will not allow the displacement of Singaporeans from the job market.

Fourth, PSP will increase the amount of compassionate spending for low-skilled workers and disadvantaged segments of our society. PSP proposes budgeting \$3 billion for a living wage, which guarantees a minimum monthly take-home pay of \$1,800 for all Singaporean workers. We have recommended this during Budget 2021.

The living wage will allow all Singaporean workers to attain the minimum standard of living. The Progressive Wage Model can remain but for helping workers to achieve a higher wage level than the living wage.

Next, PSP proposes budgeting \$1 billion to help the disadvantaged segments of our society by doubling the ComCare payout for the poor and providing an allowance for caregivers and stay-at-home parents in recognition of their sacrifices and contribution to society.

In conclusion, Mr Speaker, Sir, in the Occasional Paper on the medium-term fiscal projections, the Government has painted a scenario of looming current and future Budget deficits. But PSP has pointed out that in fact, there are excess fiscal resources in the Budget that can be deployed better. This is before further potential savings that we can have from spending cuts partly due to the end of the COVID-19 pandemic.

PSP has proposed an alternative Budget to demonstrate how the Budget can be restructured to deploy these resources. For a start, we have increased net spending by about \$8 billion – a fraction of the excess resources we have – to implement long-term programmes that will: one, proactively deploy excess fiscal resources in the Budget for the benefit of the current generation of Singaporeans; two, promote the financial security of the middle-class, who are the bedrock of the society, as a priority; and three, reduce socioeconomic ills caused by high property prices by resetting our public housing policy and eventually wean off Singapore's over-dependence on property as an engine of economic growth.

I invite Singaporeans to be the judge of the merits of the proposals in the alternative Budget. Singaporeans deserve better. For country, for people.

Mr Speaker: Ms Janet Ang.

1.26 pm

Ms Janet Ang (Nominated Member): Mr Speaker, I am honoured to participate in this year's Budget debate. I would like to declare that I am a council member of the Singapore Business Federation (SBF).

Deputy Prime Minister Lawrence Wong delivered his Budget 2023 speech in this Chamber, one day after Singapore declared DORSCON Green. I had goosebumps just thinking about how blessed we have been to have emerged from the COVID-19 pandemic and is in a reasonably good shape.

I am grateful to everyone – from President Halimah and the Presidential Advisory Council to Prime Minister Lee Hsien Loong and his Cabinet Ministers, from the Multi-Ministry Task Force to the hon Members of this House, from our healthcare workers to our public transport workers, from our Police officers and Civil Defence Force to our SAF and diplomatic corps, from our locals to the migrants at the front lines – for leading us through the darkest nights of the COVID-19 pandemic to emerge on 13 February with a bright DORSCON Green and a future full of hope. A big thank you from all of us in the business community to all of you.

Mr Speaker, for me, Budget 2023 is a clear signal that the pandemic is behind us. The Government is clearly moving away from giving handouts to survive COVID-19 to a Budget that invests to build for growth, sustainability and resilience.

At the same time, it is apparent that the Government is mindful of the current business climate driven by high cost pressures, with inflation at a 14-year high level, fuelled by the Russia-Ukraine war, the US-China geopolitical tensions and the hangover of supply chain disruptions caused by COVID-19.

Budget 2023 has been hailed as a redistributive Budget. Those who have more contribute more but everyone contributes what they can and together, we leave no Singaporean behind.

I am glad to see a Budget that appears to have taken an integral development approach that ensures that our people, our environment and our economy progress in tandem and in harmony. Whether Budget 2023 delivers on its design now depends on how well Team Singapore executes together.

For my speech today, let me start with the business lens on Budget 2023, with data points based on the latest National Business Survey 2022/2023.

Business sentiments in Singapore are more positive now with 52% of the businesses being satisfied with the current business climate in Singapore compared to 37% in the prior year. Despite expecting inflationary pressures to persist, 80% of our businesses remain confident in the resiliency of their operations in the next 12 months. Trade grew 17.7% to reach S\$1.37 trillion, and, as shared by the Deputy Prime Minister on Budget Day, Singapore's economy grew 3.6% with resident unemployment below pre-pandemic levels, at 2.8%.

However, as we entered 2023, businesses which had expressed optimism about the reopening of the global economy are now conveying a more cautious outlook as new disruptions surface and geopolitical fault lines deepen: 32% of the businesses stated that they had been negatively impacted over the past six months, with an average decline in revenue of 25%; 66% of both large and small companies have called out: one, overall business cost as their top challenge; two, availability of manpower; and three, retention of manpower following close behind.

They were certainly relieved to hear the Deputy Prime Minister extend the Energy Efficiency Grant (EFG) and the Enterprise Financing Scheme (EFS) to March 2024. These measures will help businesses cope with the unusually high business costs. Meanwhile, cash flow too is a major challenge for SMEs, and it will be of much help if the Government can take the lead to pay all invoices within 14 days, albeit electronically of course. This could perhaps even be the impetus needed for the nation-wide e-invoicing initiative to take off.

As for manpower challenges, 96% of our businesses identified the following as key areas of concern: one, rising manpower cost; two, attracting and/or retaining younger workers; three, new foreign manpower policies that raises cost; four, limited pool of local high-skilled labour; and five, stricter policies that restrict the supply of foreign workers.

Finding sufficient and appropriate manpower to meet their business needs has been a key challenge for our businesses. The new Jobs-Skills Integrators programme should help optimise training and job placements for Singapore businesses and help workers identify the right fit for training and ensure better earnings prospects. The Government might want to consider the TACs and the IHLs in partnership with human capital experts to perform this role.

Employment support is another key feature of Budget 2023. This will help make inclusive workforce closer to reality. Our older workers, vulnerable jobseekers like the physically disabled and the ex-offenders as well as current platform workers are resources who may be tapped and reskilled to work in sectors facing labour shortage. There is definitely a need to channel workers into jobs that are growing or into jobs that are being transformed.

Community initiatives like Yellow Ribbon and SBF Foundation's Employability Fund and so on, complement what the Government is doing and should be encouraged. For example, SBF Foundation has set up a platform in partnership with social services agencies like New Hope, Daughters of Tomorrow, Singapore Association for Mental Health and SHINE Children and Youth Services to connect enlightened

and compassionate companies with vulnerable jobseekers and journey with them from resume writing to onboarding to retention. To date, there are about 100 companies who are part of this network and we hope more will be inspired to come forward. This is the many helping hands approach in Singapore that will enhance employability and give vulnerable individuals dignity and hope through employment.

Lifting the wages of our low wage workers via the Progressive Wage Model is one of the most important policies that this House and collectively as a society we have made. We must not let inequality widen. It is good to see that our income inequality, as measured by the Gini coefficient, has been steadily declining. Kudos to the Tripartite partners for doing what we all know is the right thing to do.

Of course, many opinions have been heard in this Chamber with regard to Singapore having too many foreign workers. And, yet we have our businesses screaming “workers not enough”. Our businesses probably are experiencing “cold turkey” with the new foreign labour policies. Yet, from the many dialogues and engagements with businesses, it just might be that we simply do not have enough Singaporeans to do the jobs that need to be done.

I would like to put forward three recommendations for Government and businesses to consider.

One, more perhaps need to be done to attract local Singaporeans into job roles at or higher than the S Pass and the EP qualifying salary levels. And if there are no takers, we need to understand why.

Two, perhaps the work environment and work conditions can be made more attractive to interest our local Singaporeans. For example, the jobs being enabled by productivity tools, a maximum number of work hours per day, flexible work arrangement, strong skills and career mentoring. If all done well, this could drive improved human capital productivity for the organisation and provide a more effective work-life health for our workers.

Three, tripartite partners will have to find the right balance between capital and local and foreign labour for their sector, and perhaps some re-balancing of foreign quota may need to be worked out.

In short, the paradigm has shifted and 64% of our businesses recognise that it is very important to drive transformation, build capabilities and upskill their workers to become more productive and more competitive. They are glad that there will be a S\$4 billion top-up for the National Productivity Fund (NPF) to support their efforts.

Next, allow me to share the story of Singapore Polytechnic undergraduate, Ms Reis Lim who is taking the Industry Now Curriculum in Perfumery, a diploma with up to half of the polytechnic workload over three years made up of work-based training with industry partners, including internships. Reis interned at Senses International, a Singapore-based fragrance manufacturer, acquiring deeper skills in fragrance evaluation. Her outstanding performance led to her being offered a position even before graduation as a fragrance evaluator trainee, a position that is mostly filled by expats. I am telling this story to encourage companies to tap on the polytechnic and ITE students as a valuable skilled pool of resources, right from even when they are still in the IHLs. There needs to be a re-think of the pathways to a career, one of the most important being the alignment of jobs to skills and pay for value.

More than half of the businesses agree that transformation is very important. However, when it comes to R&D and innovation, more than half of the CEOs rated this as “unimportant or only somewhat important”.

As for sustainability, 75% of our SMEs and 54% of our large companies are “not prepared at all or only somewhat prepared” for transitioning to low carbon. With the Singapore Exchange (SGX) implementing mandatory climate reporting for listed companies in selected sectors from 2023, SMEs will increasingly be held to similar expectations as they are critical value chain partners. SMEs that are slow to adopt sound sustainable practices will eventually lose out on business opportunities. There is an urgent need to support the acceleration of SME participation in the green economy. Perhaps the Government can consider a one-off top-up of the PSG specifically for the adoption of sustainability solutions and tools and do some risk-sharing to improve SMEs' access to sustainable financing.

Budget 2023's highlight for me is the new Enterprise Innovation Scheme. Forwarding thinking companies know that innovation is key to creating new value. With the enhanced tax deductions to 400% of qualifying expenditure on five categories including innovation carried out with the polytechnics and ITE, and even an upfront cash for companies that pay little or no taxes, it is clear that the Government is encouraging innovation and prepared to co-share risks. Singapore companies, especially SMEs, should and must definitely leverage this scheme.

Next, SMEs need capital and talent, access and networks. The additional \$150 million for the SME Co-Investment Fund and the enhancement to the Singapore Global Enterprises initiative in Budget 2023 could be helpful to our small to medium-sized companies to build Singapore brands that can last. What is the process of application and criteria for selection to be considered for such capital funding?

To wrap up this section, let me share a quote from fellow SBF Council Member, Ms Kwee Wei-Lin, who is also President of Singapore Hotel Associations, and I quote: “Budget 2023 is a balanced and fair budget and we are glad to see the continued support from the Government in encouraging innovation and productivity, and the support for having a more inclusive workforce. However, the additional CPF contribution will further add to the escalating business costs”. One final feedback from the industry is that Budget 2023 is lacking on measures to support internationalisation.

For my remaining time, I will share my reflections on Budget 2023 beyond the business lens.

Many are comforted that Budget 2023 gives assurance and extra lift for the lower to middle income households and retirees to defray the GST rate increase. I can also see that it is a budget that support families, encourage marriage and childbirth. It is also about tackling the related issues of inequality and social mobility, and providing better care for our rapidly ageing population. These expenditures need to be funded responsibly and Singapore's approach of keeping our overall system of taxes and benefits fair and progressive is the right thing to do. Our reserves have proven to be our greatest insurance. We have our generations of leaders to thank for their prudence and their stewardship in having shored up the reserves we have today.

Singapore has been blessed in so many ways and if I have to name one, it would be the founding father of modern Singapore, Mr Lee Kuan Yew. There are probably many places which have similar geographic advantages like Singapore but it took a visionary, passionate and courageous leader like Mr Lee Kuan Yew, together with the Pioneer Generation of leaders, to make what many would see only as a large rock in treacherous waters, a mere fishing village and outpost for the British, into who we are today – a Singapore that is admired by many, a Singapore that you and I can be proud to call "Home". Had Mr Lee Kuan Yew been still alive, he would turn 100 on 16 September 2023. I for one, look forward to paying tribute to his contributions to Singapore and celebrating the memories, legacy and wisdom of this great man.

Notwithstanding the good place that we are in today, there are a couple of challenges that we face in Singapore. And I ask you to indulge me as I share my thoughts on three points.

The first point, I have said it during the recent Motion on housing and I thought it important to raise this here again. In a UBS Global Real Estate Bubble Index Report, it is reported that most households can no longer afford to buy property in the top financial centres of the world without a substantial inheritance. While we do want Singapore to be one of the top global financial hubs, how can we prevent and limit our risk of being in that same situation? How does MAS and MND collectively plan to help ensure that Singaporeans can still get to own our limited residential real estate even as we welcome wealthy family offices into Singapore, whose purchasing power will inevitably drive up property sale and rental prices?

Secondly, I have been in tech all through my career. Tech can do a lot of good for society and has contributed much and its impact will be even more pervasive. But we have also seen the harms that tech can bring about, whether it is online scams, online bullying, unethical artificial intelligence – and the list goes on. We have debated in this House on this very issue, and bills have been passed to safeguard our people and our businesses from potential ills.

But by the time the laws have to be called into play, it is already too far downstream. I am encouraged and proud that Singapore was the first country who tabled at WEF, the Governance Framework for Ethical AI, a couple of years back. This is testimony of our values and our forward-thinking visionary approach. But we know that more needs to be done. Developing Singapore to be a smart nation – that we must continue to pursue. Our challenge is to remind ourselves ever so often that technology must be at the service of humanity and not humanity at the mercy of technology. Technology cannot replace the human contact and encounter, and must not forget the vulnerable. So while the Government and the army of volunteers help our Seniors Go Digital, and support their efforts to keep up with times, there will be many who just cannot go digital and these people must not be denied of essential services.

Thirdly, we have a good number of foreigners who become PRs and citizens over time. How well are we integrating our new PRs and citizens into the social fabric of Singapore? Volunteering and engaging in purposeful and soul-ful activities can bring diverse people together, build bridges for each other to cross as they help and serve the vulnerable communities amongst us. And, of course, even guests who are here on S Pass, EP or work permits, should be encouraged to volunteer and to engage in service in the community.

Our sense of neighbourliness seems to be a challenge as I listen to the nightmares of litter bugs, the "neighbour from hell" and the story of an elderly dying alone in her HDB flat without anyone discovering her for days.

Budget 2023, alone, cannot address these challenges. It will have to take all of us – citizens, PRs, migrant residents, businesses, civil society, social services agencies and Government – collectively to be caring and purposeful in living out our social and civic responsibilities.

On that note about being purposeful, I would like to share a quote by Mr Samir Singh, Chief Marketing Officer, Unilever Asia, during a panel discussion with Minister Edwin Tong at the Company of Good Summit in January 2023. I quote: "Brands with purpose grow, people with purpose thrive, companies with purpose last." And to that beautiful quote, I add my line to close: "Communities with purpose serve." I stand in support of Budget 2023. *[Applause.]*

Mr Speaker: Ms Cheryl Chan.

1.46 pm

Miss Cheryl Chan Wei Ling (East Coast): Mr Speaker, as we emerge from the pandemic, the world and Singapore are now facing other challenges brought about by the macroeconomic climate. Prices of goods continue to escalate, access to supply has not returned to normalcy and the headwinds remain strong while we find a new balance and world order.

In my conversations with residents the past week, some welcome the different measures in Budget 2023 to help address the cost of living, others are heartened by the support given to young families and some mentioned that the intent to strengthen our social compact is an area we need to put stronger focus as we progress as a nation. I am also supportive of the various measures to help those in need and how the Government is finding other sources of income to balance a tight fiscal position.

In order for us to manage the challenges ahead and have financial wherewithal to provide for more diverse societal needs, I feel strongly that we must look at the topic of how to ensure Singapore's competitiveness can be sustained in the long run. This cannot simply be a quick fix or measures that allow Singaporeans to cope for the short term, but rather we need solutions that can enable us to navigate more complex environments and external threats which compete with Singapore for both investments and talent.

As I have highlighted in my 2018 Budget debate speech, our competition today is no longer local. The real competition is dynamic and beyond our shores. I believe there are some important factors for our continued competitiveness. Let me explain them.

First, investing in our local workforce and the successful implementation of the Industry Transformation Maps (ITMs). When the ITMs for 23 industries was first introduced in 2016, it was indeed a huge undertaking by the Ministry of Trade and Industry (MTI). To develop roadmaps for each industry which is inherently different in nature, having wide ranging and some unique issues faced in each industry and the broad spectrum of stakeholders to be engaged made this task very challenging. Yet, if we had not taken this first step, it would have been even more difficult today to keep pace with the rapid global market development and more workers would have been adversely impacted by the fiercer competition and the lack of skills to manage the changing nature of jobs.

As we all recognise, skills or multi-skills of any worker cannot be developed overnight. Keeping workers relevant on the long horizon takes more than just policies. SkillsFuture was introduced for this purpose and to send home the message about the need for continuous education training (CET) after formal schooling ends. To better enhance the scheme, Deputy Prime Minister Lawrence Wong introduced the Jobs-Skills Integrators to better match the industries' skills gap and the learning required to be put in place. I appreciate the concept and see the need to plug this gap, but would like to further understand how the current CET curriculum available and ITMs that have made significant progress are pushing the boundaries for industries.

Also, can Deputy Prime Minister Wong outline some of the key industries in which we are trying to develop a competitive advantage in and how the Enterprise Innovation Scheme can complement ITMs and imbue a stronger innovative culture? From a talent pipeline perspective, how are we able to concretely identify the progress of this development and further complement the progress for future strategic investments that we wish to anchor in Singapore?

Second, leveraging overseas network as multipliers to develop our local talent. With a limited population and an ageing workforce, we must, first, acknowledge the need to retain our experienced workforce while we develop the next generation of workers. The pandemic has shown that work can take place virtually, productivity is not determined by the number of hours in an office and innovation can come about through collaboration of great minds. Even with that, we must also allow our talents to explore and venture out as they become co-creators of work clusters globally that provide job opportunities for our workforce.

Attracting top talent to Singapore is one approach and over the years, we have been finding ways to have more global talents augment our ecosystem. Recently, the Overseas Network and Expertise Pass was introduced as we hope to fill the gaps for new emerging growth areas like the digital and sustainability space. It is true that on a broad level, these global talents will have a rub-on effect for our SMEs and make the local ecosystem more vibrant. On the other hand, we are still missing mechanisms that enable these global talents from directly benefiting SMEs through consulting services, being advisers to the local boards, providing expert sessions for the locals to learn alongside or acting as mentors to contribute deeply to the talent development.

As we continue to monitor the efficacy of our measures and initiatives implemented for the dollar value invested, it is probably important, too, for us to understand if there are missed opportunity cost with the current approach.

Third, the Government as a catalyst, innovator or change-maker. Often, when we talk about innovation, it is associated with having new technologies and doing things in a new way. But we sometimes forget that some innovations are not about radically new things, rather a new way of perceiving existing resources or chipping on ideas that were not rigorously pursued under past contexts. As we continue to attract investments to Singapore and create quality jobs for our workers, have we thought about what role the Government intends to play for future nation building?

Today, we maintain our competitive status with heavy investments in skills, knowledge, physical assets and upkeeping the Singapore brand. This is what we have going for us. Indeed, it has given us the competitive advantage even with small acts of innovation. But what we may need to caution is that innovations responding to circumstances that are peculiar to our home context may result in impeding our international competitive success at some point.

For example, a critical resource like energy supply, one that our nation clearly requires from residential to commercial, or industrial demands. We have long known that Singapore has no natural resources, limited land space and no geological attributes to generate much electricity from clean energy sources. But for us to meet our climate targets, we need the value chain to be in place to transport the clean energy sources from other geographies to Singapore. The Government has utilised different options to pilot projects, build partnerships with different countries and urged the private sector to be a strong proponent in developing solutions that may be feasible for our needs.

Thus far, the Government's role continues to be that of a catalyst, a regulator and a facilitator. What if that role changes to be a co-producer with differentiated governance for critical resources that our country needs? Will our pathway to achieving the climate target be accelerated and will this better secure our supplies with greater resiliency and reduce the overall cost of essential resources for our citizens?

Sir, we sometimes need to challenge our assumptions and conventional wisdom and be open in order to succeed. We need to know simply what works, why they work and how to apply them. In fact, it is fair to say that innovation usually requires pressure, necessity and even adversity to thrive.

And I quote what Michael Porter said: "National prosperity is created, not inherited". Singapore, as a young nation, has much more to give and to constantly create for the benefit of our current and future generations. But the Government alone cannot fulfil this task. It takes our citizens, our industries, our talents, our global partners to collectively harness the strength, knowledge and our social responsibility towards one another to materialise our dreams. Only we can define the social fabric and the signature of our society that we wish for. Let us take the lead and not wait for the external environment to shape us, nor be limited by our imagination to achieve greater heights and greater things together. Sir, I support the Budget.

Mr Speaker: Mr Sitoh Yih Pin.

1.56 pm

Mr Sitoh Yih Pin (Potong Pasir): Mr Speaker, Sir, in my recent speech in this House, I said it was dangerous to not feel pain for a long period of time. Pain reminds us that something needs to be done. If we feel nothing, we do not react. Therefore, we should not aim for analgesia to feel no pain but, instead, aim to ameliorate the pain. Pain is a call to action.

I will take this occasion to speak further about how we should respond to pain.

If pain is slight and fleeting, it can sometimes be dismissed. But when pain becomes more than a niggle here and a mild ache there, and is persistent, it is crucial that we acknowledge its existence and not dismiss it nonchalantly.

It is the same with the polity as it is with the human body. The Government must recognise the pain that people are going through and, more importantly, act on them. Today, there are a number of pain points that are evident.

First, there is high global inflation, coupled with sluggish economic growth. Our local inflation is hovering around 5%.

Second, the Certificate of Entitlement (COE) prices remain high. And here, I am not discomforted by high COE prices for big or luxury cars, but for smaller cars and motorcycles. Many people need either a small car or a motorcycle for work. Workers in the point-to-point transportation and platform delivery industries are good examples.

Third, the wait for HDB flats.

And fourth, the wait for appointments in our public healthcare system brought about by the pandemic and exacerbated by the global competition for nursing and other healthcare manpower.

And of course, the Goods and Services Tax (GST) increase.

The PAP does not walk away from these pain points. We face them head on and we come up with viable and sustainable long-term solutions. But like a good doctor, we know that suggestions for instant pain relief, like instant gratification, is temporary and may cause us greater grief in the future. While we do not profess to have all the cures to all pains, we are prepared to take time to address the root causes of pain, while taking steps to ensure that the pain does not overwhelm us.

Indeed, as the Confucian saying goes: "知之为知之，不知为不知，是知也". Loosely translated, this means that the path to wisdom is to know what you really know and to be aware of what you do not know. The true danger then, lies in what some people call the "unknown of unknowns". Here, we need to gather information and listen to as many people and stakeholders as possible, to minimise the magnitude of "unknown of unknowns", so that we are not unnecessarily blindsided.

The next step is to come up with solutions. We can learn from what it takes to be a good doctor and the axiom which is taught to all medical students is, "To cure sometimes, to relieve often, to comfort always".

A good doctor knows that there is a limit to the illnesses he can cure. Indeed, even with modern medicine, complete and permanent cures are rare. But he can often provide relief and, with empathy and compassion, he can always comfort his patients.

Likewise, there are few problems that politicians and governments can fix permanently with policies and programmes. Let us not kid ourselves on this. There are few equivalents to smallpox in public policy-making, where an effective vaccination programme has eradicated smallpox from this planet.

But policies and programmes do provide substantial relief. Examples of these in this year's Budget include enhanced GST Vouchers, additional CDC Vouchers, an Assurance Package that addresses rising cost-of-living and aims to support, amongst others, students and seniors, help for families with young children.

Finally, we must also acknowledge the pain and provide comfort at the emotional level. A listening ear, a gentle pat, a nod, all these are small things we can do to provide emotional comfort. And sometimes, I feel that we focus too much on finding solutions to the pain that we may well fall short on empathy. We can improve ourselves.

Sir, the record of the People's Action Party (PAP) speaks for itself over the past 64 years. Through our policies and programmes, we strive to improve the lives of the less fortunate. The social mobility of Singaporeans over this period demonstrates this. But sometimes, we do come across as a bit lacking in empathy. And empathy goes a long way when it comes to providing comfort. But as I have said, we can improve.

Finally, there is another part to providing relief and comfort that is beyond focusing on our present-day problems. It is like looking at whether a glass is half-full or half-empty. We need to also focus on the half-full glass and ask ourselves where do the possibilities lie, what is the potential to make the glass of water fuller than what it is now? Or do we believe that the glass will get emptier and emptier as time goes by? Is the best behind us or is yet to be?

I might add, Sir, that it is also the aim of any Opposition who aspires to be the Government one day to convince the people that the glass is getting emptier and emptier and also to get them to focus on the pain points, to persuade the people that these pain points are unremitting, intractable and, in fact, getting worse and worse to the point of being life-threatening. They want you to change your doctor. But we have to ask ourselves: will this so-called new doctor have better solutions and cures or worse? Are they like the proverbial "koyok-seller" of yesteryear, trying to sell you miracle cures?

Mr Speaker, Sir, as we transition from 3G to 4G, it must be the responsibility of the incoming 4G leadership to inspire Singaporeans to greater heights, to convince a new generation that the glass is going to be bigger and fuller at the same time, while acknowledging that pain points exist and to provide adequate and effective pain relief here and now, while working towards viable and sustainable long-term solutions.

So, there are at least three broad responses to pain. One is to go for complete analgesia, which as I have said before, can be dangerous over a long period of time. Another is to be overly focused on the pain and be paralysed by it. And then, there is the better way, which is to live with it and get on with life, but take pain relief when available and necessary, because life is seldom ever totally pain-free and miracle cures seldom, if ever, really work.

Sir, 10 years ago, when I turned 50, I said in this House that the Government must listen to the people, labour for the people and lead the people. Now, as I turn 60, I believe that these fundamentals remain.

How do we make sure that the glass of water gets fuller and not emptier? If there is one truism in geopolitics, it is that no one owes us a living, especially for a city state that is nothing more than a little red dot on many maps. We have to stay relevant, be nimble and embrace change. Staying relevant means we have to offer the services and products that other countries want and pay a good price for. If we can do that, we will continue to have the things that we want, such as good jobs for everyone and a safe environment and good schools to raise our children in, as well as affordable housing and reliable public transport.

In 2014, Sir, I said in this House that for Singapore to survive and prosper, we need to have the relevant skillsets, right attitude and the moral compass and values. I am optimistic for Singapore because I see these three important ingredients in the 4G leadership and the people. Mr Speaker, Sir, I support the Budget.

Mr Speaker: Mr Xie Yao Quan.

2.06 pm

Mr Xie Yao Quan (Jurong): Sir, today, I would like to discuss cost-of-living. When the GST was first introduced at 3% in 1994, it had minimal impact on prices. Our inflation rate rose marginally from 2% to 3% but fell below 2% after 1994 and stayed there. And we were in a decade of robust economic growth. So, low inflation, high growth – when the GST was first introduced.

Then, in 2002, in then-Deputy Prime Minister Lee Hsien Loong's first Budget as Finance Minister, he announced the increase in GST from 3% to 5%. At that time, our economy was at a different stage. It was facing a series of shocks and setbacks, and the growth outlook was troubled. But inflation was projected to be zero or even negative. And in this benign price environment, then-Deputy Prime Minister Lee said that, "I am confident that the 2-percentage point increase in GST will not significantly raise prices."

Subsequently, when the GST went up from 5% to 7%, the economy was again back to a period of strong growth. So, this time, it is different. GST is going up when our growth outlook is once again troubled, and concurrently, our inflation is high, and expected to be higher for longer.

To be clear, GST is not the main factor driving prices up. Indeed, as I said in my Budget Debate speech last year, we should "refrain from making GST a strawman, or a convenient scapegoat", for high prices. There are many other factors, external factors, driving prices up.

But when GST goes up in this environment, it adds to the overall pressures facing Singaporeans and it exacerbates Singaporeans' overall anxieties on cost-of-living. It is a clear and present concern.

Looking at the external factors driving prices up, take shipping, for example, thankfully, freight rates have come back down, quite significantly, from 2022 highs. Oil prices have come down too. Natural gas prices as well. And we see this in the petrol stations. The unit price is once again starting with the digit "2", rather than "3". But fertiliser prices are still up. And so, grain prices are up. Rice is up. Corn feed, up 50% versus 2019. And consequently, across the chain, price of chicken meat, for example, has stayed up. Eggs have stayed up too, 25 cents at least per egg.

Overall, core inflation in Singapore is expected to ease off in the later half of this year, but only slightly. High inflation appears here to stay.

So, what can we do, what must we do, to help Singaporeans with cost-of-living pressures?

First, our exchange rate policy has really helped. Without a decisively stronger Singapore Dollar, we would be feeling the impact of imported inflation much more sharply. Yet, the central bank would need to be very cautious with any further move, as a stronger Singapore Dollar makes our exports more expensive and the outlook for exports this year is already challenging.

Second, we need decisive fiscal measures to mitigate cost-of-living pressures. And on this, I am cheered by the moves in this Budget. And I wish to highlight, in particular, the permanent GST Voucher – Cash component.

In last year's Budget, Deputy Prime Minister Wong announced that this GSTV – Cash would be raised to \$400 in 2022 and \$500 in 2023, for eligible Singaporeans living in smaller flats. But this year, the Budget has outdone itself, because before the increase to \$500 in cash can be implemented this year, this Budget provides for another increase, to \$700, and then, to \$850 in 2024, versus just \$400 in 2022.

For eligible Singaporeans in larger flats, it is a similar story. Based on last year's Budget, \$200 in cash last year, and on plan, to go up to \$250 this year. But in this year's Budget, the payout for the year is raised from \$250 to \$350, and for next year, to \$450.

In other words, within the space of two Budgets, two fiscal years, GST Voucher – Cash has been essentially doubled, permanently, for every one in two adult Singaporeans. This will permanently deal with the effects of higher GST on overall cost-of-living pressures.

Indeed, this year's Budget tops up the GST Voucher Fund by \$2.4 billion, after a similar top up of \$2.4 billion last year. Very decisive and a real commitment to keep this going permanently.

And separately, under the Assurance Package, a 65-year-old retiree who owns no more than one property will receive – on top of the \$700 cash under the GST Voucher Scheme, this retiree will receive another \$1,300, in cash, this year alone, under the Assurance Package. And his or her child, who may be an upper-middle-income working adult owning one property, will also receive \$550 in cash alone.

And so, the Budget last year provided for \$1.1 billion in such cost-of-living special payments and this year, another \$1.3 billion has been set aside. Taken together, these fiscal measures will go quite some way towards relieving cost-of-living pressures brought about by both higher GST and more saliently, larger inflationary drivers.

In fact, when speaking to residents about the Budget, some have turned around and asked me, is the Government giving too much? How is the Government going to sustain this, because we need to stay prudent?

I certainly agree, but I think the Government must also do what it can to address a clear and present concern of Singaporeans. And so, on this note, I strongly support the Government's fiscal measures in the GST Voucher Scheme and Assurance Package.

But third, beyond fiscal measures, I believe we can do more to keep in check the rental rates of Government-owned and managed commercial properties, especially for coffeeshops in our heartlands.

To be fair, rental is not the largest cost component of cooked food and served meals in the heartlands, nor should we expect that lower or steady rental would bring down the overall prices of meals, as there are other cost drivers at play. But I do believe that lower or steady rental would at least help to keep everyday meal prices steady and relieve the pressure on businesses to keep increasing prices to cover their costs.

Fourth and most importantly, to sustainably mitigate cost-of-living concerns, real wages and spending power of Singaporeans must go up. Wages and spending power must grow faster than inflation. Certainly, for the broad middle, but also, and especially for the lowest-wage workers amongst us, because consumption takes out a disproportionate part of income for low-wage workers, and so higher prices hit low-wage workers disproportionately hard.

To help low-wage workers, the Government has announced decisive moves, especially in the Progressive Wage Model. Many of these moves will start taking effect this year, to give wages at the bottom a sharp uplift over the next few years.

For a cook in a full-service F&B outlet, monthly gross wage will be at least \$2,050 starting from this March, going up to at least \$2,380 in March 2025. For a conservancy cleaner, at least \$1,795 from this July, going up to \$2,835 by July 2028. For a cashier, at least \$1,850 already from last September, going up to at least \$2,175 by next September.

So, significant wage moves. And paradoxically, these wage moves under the Progressive Wage Model would likely push prices up. We may all have to pay more for meals, for Town Council conservancy, and so on.

But the important points are these.

One, the Progressive Wage Model should grow wages at the bottom faster than prices rise, so that our low-wage workers will get higher real wages eventually. And as importantly, all of us will be sharing in the burden of these higher prices brought about by progressive wages. It is spread out across all of us, in order to support higher wages for a segment at the bottom.

So, we can, and should all do our part, and pay a little bit more, in order to help those who are impacted the most, more than the rest of us, by higher costs of living. This must be a key part of our social compact.

And the Government is doing its part too. In this Budget, topping up \$2.4 billion to the Progressive Wage Credit Scheme Fund after a top up of \$2.8 billion last year. More than \$5 billion in total over two years to share the heavier labour cost burden with employers in the next few years. And on top of this, the Government is also giving directly to low-wage workers another \$150 to \$350 every month to further top up their wages through enhanced Workfare, announced last year and kicking in this year.

But ultimately, besides Government and consumers, employers of low-wage workers and buyers of their services – if these services are outsourced – must also play their part to uplift our low-wage workers. Because the Progressive Wage Model provides for a whole ladder of job grades and sets wage levels not only at the starting grade but at higher, more senior grades. Employers, service providers and buyers of outsourced services must do all they can to keep to the spirit of Progressive Wages, preserve the ladder, keep the ladder intact and preserve an appropriate mix of junior and senior job grades in their workforce and keep alive for low-wage workers the hope and prospects of promotion and career advancement up the ladder.

Service providers and service buyers must do their part to prevent the collapse of the ladder and the regression of the mix of job grades in their workforce towards the starting rung, whereby the starting rung in the ladder effectively becomes the final rung. We must avoid this.

And I would urge relevant regulatory agencies in the Progressive Wage Model to also regularly review if there is a need to possibly update their strategies from time to time to enhance alignment of the market with licensing frameworks.

As for growing real wages and spending power in the broad middle, much has been said about productivity, upskilling and economic transformation to keep creating good jobs. I wish to focus today on a sub-segment within the broad middle, a particular "sandwiched" group, comprising working adults in the 30s to 50s, with a school-going child or children between seven and 16 on one hand, and parents in their 60s and above on the other. This is not a big sub-segment, probably around 200,000 households or 20% of total households, but they face particular, "sandwiching" pressures in cost-of-living.

Now I believe as parents, all of them will want to do their best for their children and what is "best" can be very personal and varies from individual to individual. But if we look at the Household Expenditure Survey in 2018, a household spends \$112 per month on average, on private tuition and other educational courses. This is the average across all households.

But if we suppose that in fact, private tuition expenditure is concentrated within this sub-segment of "sandwiched" young parents, then the average amount that each of these households spends on tuition is probably closer to \$600 per month. And they spend on this because they want the best for their children.

My point is this: we have been analysing household expenditure primarily by income bands, I think it would be useful to also study household expenditure by household archetypes and for an archetype such as this "sandwiched" sub-segment, we may uncover or confirm particular spending needs on tuition, for example. And in turn, we can form a better, more nuanced understanding, of drivers of cost-of-living pressures for this particular sub-segment and work towards addressing these where possible.

Now I think this "sandwiched" group should get more support from the Government.

First, beyond the Edusave account and Government top-ups thereto, I think parents should get a "Child Development Bonus", in cash, for each child seven to 16, each year. Think of this as an extension of Government support, in the child's life, beyond the Baby Bonus Cash Gift which has been enhanced and beyond contributions to the Child Development Account for preschool years, which has also been enhanced.

Second, especially for the elderly parents of this "sandwiched" sub-segment and for seniors across the board, we should have more healthcare subsidies, especially in intermediate and long-term care such as nursing homes and in increasingly prevalent services in the hospitals such as MRI scans.

Sir, let me conclude. I started with a reference to the 2002 Budget, the first by then-Deputy Prime Minister Lee. It actually makes for a fascinating read. Back then, total operating and developmental expenditure was \$28 billion or 17% of Gross Domestic Product (GDP).

Fast forward two decades, in this year's Budget, it is \$104 billion – four times – but we have managed to keep this at 16% of GDP. In other words, the Government has been spending more and more, and doing better and better for Singaporeans, year after year, and it has been doing so sustainably and responsibly.

How has the Government done this? First, and most obviously, by ensuring our economy grows. So, between 2002 and 2023, our economy has grown by four times in nominal terms too, keeping pace with spending. The Government has grown the pie, so that it can do more for Singaporeans, sustainably. That is the first order of business.

But second, in these years, the Government has also found new, important ways to maintain our fiscal sustainability. It transited from a Net Investment Income (NII) framework to a Net Investment Return (NIR) framework, to leverage more on the strength of our reserves to fund current needs. NII contribution in 2002 was \$2.4 billion, 1% of GDP. Today, NIR contribution is \$24 billion or 4% of GDP.

On the other hand, in 2002, taxes and fees amounted to 17% of GDP. Today, it is 15%, lower than in 2002, although our spending needs have gone up – shot up dramatically.

And the Government has done this while keeping personal and corporate income tax regimes highly competitive. That is why we need GST, which taxes consumption rather than income, as another part of our fiscal base, and that is why GST has gone up. Yet, with our unique system of permanent offsets, we make sure the bulk of higher GST is net-net raised from foreigners, tourists and higher-income Singaporeans, but channelled towards benefiting all Singaporeans.

In our revenue base today, taxes and fees are already at 15% of GDP, how much lower do we want to go? NIR, on the other hand, is already at 4%, how much higher do we want to go? How much more do we want to leverage on our reserves? As a society, we will have to make our own judgement based on our shared values.

Higher GST, in a high-inflation era, creates anxieties for Singaporeans. But it is the right thing for all of us to do, for ourselves and for future generations. While raising GST, this Government has rolled out decisive moves to put cash in Singaporeans' hands, to uplift real wages, especially at the bottom and to provide immediate assurance. It shows a remarkable political will to do right by Singaporeans in the long-term and to take care of Singaporeans' needs in the short-term.

In management studies, there is a concept by Jim Collins about eschewing the "Tyranny of the Or" and exercising the "Genius of the And".

In the context of governing a country, I would refrain from using the word "Genius", but "Gumption", perhaps, or "Steel". The Government has, over the decades, steadfastly eschewed false choices, avoided the "Tyranny of the Or", and held on to a "Gumption and Steel of the And", and it shows in how it has raised GST responsibly while taking care of cost-of-living concerns compassionately.

There is something else to be gleaned from the 2002 Budget Statement. Then-Deputy Prime Minister Lee introduced an offset package while announcing the increase in GST from 3% to 5% and he said this, in 2002, "the offset package will cover at least five years' worth of additional tax payable for all flat sizes. In fact, those living in one- or two-room HDB flats will be covered for the next 10 years". Sounds very familiar.

In 2007, then-Minister Tharman rolled out an offset package along essentially, similar lines. Twenty years on, today, the Government carries on the tradition and remains consistent in its commitment to take care of Singaporeans. It is remarkable.

Sir, the 2002 Budget was billed "A Budget for A Different World". Singapore was coming out of its worst recession at that time, since Independence. Then-Deputy Prime Minister Lee said, "we are entering a very different world. Conditions are uncertain and volatile, competition is intense, change is faster than ever... we cannot prevent the changes from happening. Instead, we must act decisively..."

Today, we are debating a Budget that is titled "Moving Forward in a New Era", indeed another different world and the words uttered in 2002 ring as true today.

But I am confident that if we stay open as a country and embrace the world, stay nimble as a tribe and seize opportunities to make hay when the sun shines, and stay united as a people and take care of each another, we will have another brilliant 20 years ahead of us, towards SG75 and towards SG100. Sir, I support the Budget.

2.25 pm

Mr Chua Kheng Wee Louis (Sengkang): Mr Speaker, after more than three years of battling COVID-19, it appears we have finally seen the light at the end of the tunnel. However, while the acute phase of the COVID-19 pandemic is now over and we can all wave goodbye to the wearing of face masks, there remain many other challenges facing Singaporeans in the horizon. The one thing that is top of mind for many of my residents during our house visits, is the mounting cost of living pressure they face. Inflation, unfortunately, is not a phenomenon that Singaporeans can wave goodbye to in 2023.

The Monetary Authority of Singapore (MAS) expects inflation to stay high in 2023, with the Consumer Price Index for All Items (CPI-All Items) inflation projected to come in at between 5.5% and 6.5%, and even core inflation is expected to average 3.5% to 4.5%, both of which includes the effect of the 1% increase in GST rates this year and likely next year as well.

While the Government still expects economic growth in 2023, amid recessionary concerns globally, I believe the risks to the economic outlook remain to the downside. The MOM too has observed a recent uptick in retrenchments in Singapore and unemployment rates could trend higher. Just over the last weekend, even Google is reported to have retrenched 6% of their Singapore workforce.

Against this backdrop of continuing household vulnerabilities, my speech today will cover three broad areas. First, my observations on the Government's fiscal position; second, suggestions on growing our recurrent revenue sources from those better able to contribute; and third, recommendations on truly strengthening our social compact.

Thankfully, it is not all doom and gloom when it comes to the Government's finances. Over the past year, I shared in Parliament my observations on what appears to be the better-than-expected fiscal outturn in Financial Year 2021 (FY 2021) and FY 2022. It appears that against the spectre of COVID, operating revenues and the primary deficit in the last two years, have indeed, been much better than expected.

In FY 2021, actual operating revenues were about \$5.9 billion higher, while the primary deficit was \$13.4 billion smaller than initially estimated in Budget 2021. This meant that instead of a S\$11 billion overall deficit that was expected, the Government's fiscal position in FY2021 turned out to be a surplus of \$1.9 billion instead!

Similarly, in FY 2022, operating revenues are now expected to be \$8.5 billion higher than what was initially estimated in Budget 2022. Despite higher expenditure and special transfers, the overall fiscal position is still expected to improve by \$1 billion. Had it not been for higher special transfers, the Budget would have similarly turned in a surplus instead of an estimated \$3 billion deficit instead. But, do not get me wrong, it is not that I am against the idea of these transfers in 2022, as I recognise that the top-up to the GST Voucher Fund following the enhancement of the Assurance Package announced in November 2022, was a key source of the increase in special transfers from \$6.2 billion as initially estimated to \$9.2 billion, thus contributing to the deficit for the year. After all, even without raising the GST rate to 8%, GST collections rose \$1.8 billion in 2022.

Looking into FY 2023, I note that the Government expects a modest deficit of \$0.4 billion. Despite slowing growth, operating revenues are expected to see strong growth in the year, up S\$6.4 billion compared to 2022. Corporate income tax, personal income tax and GST are expected to reach new record highs for the third consecutive year. Meanwhile, \$185 billion is set to be transferred from the MAS to Government of Singapore Investment Corporation (GIC) in phases to reach the optimal reserves amount. With the deployment of these funds into a higher return seeking portfolio compared to that of the MAS, this would naturally mean higher potential returns to the Government and hence, higher NIRC contributions over time.

I thus hope that the Government will not hesitate to support the livelihoods of our fellow Singaporeans, should inflation pressures persist and not slow "more discernibly in the second half" as is expected by the Ministry of Trade and Industry (MTI) and if labour market conditions continue to deteriorate.

I do wonder though, what is the cumulative budget deficit from the start of the Government's term to FY 2023, and would the need to maintain a balanced budget constrain the ability of the Government to activate the "drawer plans" that Deputy Prime Minister Lawrence Wong spoke about, should the need arise?

Moving into the second segment of my speech on suggestions on how best to grow our recurrent revenue sources and raise contributions from those segments that are better able to contribute. I agree with what Deputy Prime Minister Lawrence Wong shared about keeping "our overall system of taxes and benefits fair and progressive" and that "those who are better off contribute more". However, I believe there is significant scope for us to do more to better achieve these stated objectives, such that the drive to have everyone contribute something does not risk morphing into common suffering for the man on the street.

In my Budget debate speech last year, I spoke extensively about BEPS 2.0. Not only has corporate income taxes been consistently the largest contributor to the Government's operating revenues, in FY2023, it is now the single largest contributor to the Budget, higher than that of the NIRC. This is not surprising at all if we look at some of the largest companies here in Singapore, with DBS full-year net profit up 20% to a record \$8.2 billion, while Sembcorp Industries' net profit was up three times, supported by higher power prices and margins in Singapore and the UK.

BEPS 2.0 is one of the most significant reforms to international tax rules to ensure that Multinational Enterprises (MNEs) pay a fair share of tax wherever they operate. Their fair share of tax.

I note that in the Ministry of Finance (MOF)'s Occasional Paper on medium-term fiscal projections, the impact to our single largest contributor to the Budget from BEPS 2.0 is not taken into account, which makes the published medium-term revenue and fiscal projections a lot less meaningful. I recognise that there are uncertainties and the Government needs more time to study these issues thoroughly and will announce changes in the corporate tax system when ready. However, while BEPS 2.0 may have been delayed, the OECD has on 2 February released technical guidance to assist governments in implementing the global minimum tax. If all goes according to plan, this could happen in less than a year's time, in the beginning of 2024.

While precise numbers may not be feasible, does the MOF have a range of blue sky and grey sky projections as to the impact of the implementation of a Domestic Top-up Tax? Is the MOF sufficiently prepared to implement this landmark tax reform from 2025 as what Deputy Prime Minister Lawrence Wong shared?

As I have shared in this House last year, I hope that the Government will view the global minimum tax reforms as an opportunity rather than a threat, given Singapore's strong non-tax advantages and attractiveness to MNEs. If a global MNE is already operating in Singapore, what incentive would it have to incur additional relocation costs when the minimum corporate tax rates of 15% would be normalised globally? I hope it is not the case that over the past years, global MNEs' decision to invest in Singapore boils down to mere tax incentives as the deal-breaker.

The Organisation for Economic Co-operation and Development (OECD) has shared with the Pillar Two solution, all economies will benefit from extra tax revenues. All economies. I hope the additional tax revenues from BEPS 2.0 will not simply be in substance returned to MNEs through other forms.

Next on wealth taxes, particularly, those relating to property which is the Government's preferred way to tax wealth. As I have shared last year, while the increase in headline marginal property tax rates appears high, the actual impact on the households involved are unlikely to be material. I further shared about how, based on my analysis, high-end condos in Cairnhill and Nassim Road need only raise rents by 2%

to 7% to offset the higher property taxes. As it turns out, private residential rents rose by 30% in 2022. So, while I agree with Deputy Prime Minister that \$380 million more per year in property tax revenues is not an insignificant sum of money, I still believe that it may not be that significant to those who are impacted.

But I do recognise that the Government is doing more on the property front, with the higher marginal Buyers' Stamp Duty (BSD) rates for higher-value residential and non-residential properties. In itself, again I do not believe the impact of the higher BSD rates to be that significant. To illustrate, for residential properties priced between \$1.5 million and \$5 million, the impact of the BSD rate increase only amounts to 0% to 1.1% of the purchase price of the property. Again, in the context of the near 9% rise in private property prices in 2022, the higher BSD may simply be an afterthought. I wonder though if more can be done for our property-related wealth taxes to be more targeted and progressive?

Despite hefty ABSD rates for foreigners, that did not stop an entire luxury condo project, EDEN, from being sold to a single family for \$293 million, for a single buyer to purchase 20 units in Canninghill Piers for \$87.6 million or for a single penthouse unit at Les Maison Nassim to be sold for \$75 million last year.

In Budget 2009, Senior Minister Tharman as then Finance Minister removed the tax on Net Annual Value with effect from YA2010, for those who own higher-value homes or secondary residences. I hope the Government can consider re-introducing this tax, in which the AV threshold can be set at a high bar, for it to be effective as a wealth tax targeting on those who can afford the likes of our Good Class Bungalows (GCBs) and especially for those private residential properties that are not let out, given the situation we have today where private residential vacancies are near historical lows.

To give credit where it is due, I welcome the Government's recognition that there is scope to make our vehicle taxes more progressive. Last year, I highlighted that the Government's move to introduce a new Additional Registration Fee (ARF) tier for cars is not meaningful in the grand scheme of things. So, I do welcome the Government's move to further adjust the ARF and cap the Preferential ARF (PARF) rebates at \$60,000. With the move, not only would a Ferrari Roma cost about 23% more as a result of the higher ARF, the capped PARF rebates would mean about 22% of the selling price would be lost as well, resulting in a more meaningful contribution of high-end vehicle-related taxes to Government revenues.

I hope the Government will continue to consider various options to tax wealth effectively and other forms of progressive taxes to raise revenues more equitably rather than via regressive taxes such as the GST.

Finally, on recommendations to truly strengthen our social compact, Mr Speaker, you would know that since I was elected as a Member of Parliament for Sengkang in 2020, strengthening our social compact and in particular fostering greater support for families is a topic which is very close to my heart.

Parenting is definitely a struggle, especially if one wants to be an involved parent. Hard choices and sacrifices must be made. But my wife and I have not and will not regret our decision to bring our two boys into this world, who are now about three-and-a-half and one-and-a-half years old today. As Parliamentarians and leaders of this country, how then can we continuously strive to make it easier for Singaporeans to start a family? How can we make the sacrifices and trade-offs less stark and make parents and would-be-parents feel that balancing family, work and life is not a zero-sum game?

I will be elaborating further on Flexible Work Arrangements (FWAs) and parental leave during the subsequent Committee of Supply debates, topics which I have been speaking on for the last two years. On FWAs in particular, I am increasingly anxious that whatever gains we have made as a country when it comes to workplace flexibility during COVID-19 are now rapidly being eroded and my worst fears of a return to pre-COVID-19 workplace norms are starting to come true.

Residents, family members and friends are increasingly sharing that they are pretty much back to working from the office and working from home is now a distant memory. One friend quipped that his boss said, and I paraphrase, "If you are not in the office, how do I know that you are actually working?" Work from home is just one form of flexible work arrangement, but I fear that if we do not put in place legislation on this matter soon, the hard-earned gains from FWAs in the last few years will soon be permanently lost.

On parental leave, I note that while unpaid infant care leave will be raised, there are no changes to maternity leave which was last changed 15 years ago in 2008. That said, the move to raise Government-Paid Paternity Leave from two weeks to four weeks is no doubt welcome, but I note that this is purely on a voluntary basis on the part of employers.

As it is, even though Paternity Leave is a mere two weeks, only more than half of our fathers take paternity leave. Will would-be fathers be in a position to take their full entitlement of the expanded paternity leave and feel comfortable doing so? So, I do wonder if Deputy Prime Minister's message that "we want paternal involvement to be the norm in our society" could in practice turn out as being construed as "paternal involvement is voluntary"?

One of the most puzzling moves to me is the decision to worsen the Working Mother's Child Relief (WMCR). While there could be a group of lower-income working mothers who would benefit from this change, the majority of would-be working mothers will be made worse off with the change in methodology. In the context of "building a Singapore Made for Families", I find this move highly ironic and self-contradictory.

I did some calculations for WMCR for one child, assuming a working mother gets two months' worth of bonuses which is the average in Singapore, while benefiting from other standard reliefs such as earned income relief, CPF, NSMan (Wife) relief and shares the qualifying child relief with her husband. Essentially, for mothers who earn less than \$2,610 a month, they would not be better off as they would not have paid taxes at all even under the prior methodology, while mothers earning more than \$3,810 a month and above will be worse off. The only group of mothers who would be better off are those earning between \$2,610 and \$3,810 a month, and the extent of their tax savings range from a grand \$0 to \$40 in total tax savings a year.

Based on my estimates of working mothers' income within married couples in resident households, roughly 20% of mothers will benefit from the WMCR change to the tune of up to \$40, while the remaining 80% of mothers will either be unaffected or worse off. I wonder if the WMCR truly seeks to reward families with children and encourage married women to remain in the workforce after having children, or does it have the unintended opposite effect?

If the aim is to benefit lower- to middle-income working mothers, why not just give a motherhood tax rebate to working mothers earning below a certain income? And I do not mean this as a motherhood statement as such a move can ensure that even a larger proportion of mothers will benefit as opposed to the design of the new WMCR. To further support lower-income working mothers, if the tax rebates granted exceed the tax payable, tax credits can be paid out in cash to ensure the reliefs are not lost.

Moreover, unwed single mothers are ineligible for this relief. Single mothers already face significant challenges in singlehandedly raising their children and more often than not are working mothers. Even if we cannot raise their children on their behalf, the least we can do is to ensure that our tax policies do not discriminate against them. I strongly urge the Government to reconsider the changes to the WMCR.

Finally, I welcome the move to raise the CPF salary ceiling from \$6,000 a month to \$8,000 a month. From those within this monthly income band, the lower monthly take-home salary could be a challenge given the pressures of being in a sandwiched class, with high monthly household expenses and relatively lower grants and support compared to the lower income. However, I do recognise that the benefits from a higher employers' CPF contribution over time can contribute meaningfully to retirement savings.

Yet, where I think the move falls short is in keeping the annual salary ceiling intact at \$102,000. Can the Government raise the CPF annual salary ceiling in tandem with the monthly salary ceiling move to benefit this expanded group of workers?

I did some calculations for a worker who earns \$7,000 a month with a three-month bonus. When fully implemented in 2026, he or she could benefit from \$1,530 worth of additional employers' CPF contributions with the raised monthly salary ceiling. However, should the annual salary ceiling be raised in tandem, this would rise to \$2,040 implying that the same worker will benefit from an increased CPF contribution of \$510 a year.

In the case of a worker who earns \$8,000 a month and has a four-month bonus, whether through his or her exceptional work performance or otherwise, the worker would not benefit from the raised monthly salary ceiling at all. Yet, if the annual salary ceiling was raised in tandem, his or her CPF balances will be higher by \$4,420 a year.

When the Government says that it will review the annual salary ceiling periodically, what is the Government looking out for before deciding to make the move or rather what is stopping the Government from doing so immediately as it has done in the past? In Budget 2015, it was said that the higher salary ceiling will cover wages up to the 80th percentile of resident incomes. What is the coverage of the current CPF salary ceiling moves and what could it be if the annual salary ceiling was raised correspondingly today?

Already, the higher monthly salary ceiling will be increased in four steps all the way to 2026 to allow employers and employees to adjust to the changes. I am sure everyone in this Chamber agrees that businesses value certainty and visibility on when exactly the annual salary ceiling move is going to take place, and this will be much appreciated by employers and employees alike.

Before I conclude, Mr Speaker, let me just say a few words in Mandarin.

(In Mandarin): [Please refer to [Vernacular Speech](#).] Looking into FY2023, I note that the Government expects a modest deficit of S\$0.4 billion. Despite slowing growth, operating revenues are expected to see strong growth in the year, up S\$6.4 billion compared to 2022. Corporate income tax, personal income tax and GST are expected to reach new record highs for the third consecutive year.

I thus hope that the Government will not hesitate to support the livelihoods of our fellow Singaporeans if the need arises. This is crucial, because inflation pressures will persist and are unlikely to slow down discernibly and labour market conditions might continue to deteriorate.

One of the most puzzling moves to me is the change to the Working Mother's Child Relief (WMCR). While there could be a group of lower income working mothers who would benefit from this change, the majority of would-be working mothers will be worse off with the change. In the context of "Building a Singapore Made for Families", I find this move self-contradictory.

Based on my estimates of working mothers' income within married couples, roughly 20% of mothers will benefit from the WMCR change while the remaining 80% of mothers will either be unaffected or worse off. I wonder if the WMCR truly seeks to encourage married women to remain in the workforce after having children, or does it have the unintended opposite effect? I hope the Government can reconsider the change to WMCR.

(In English): Mr Speaker, to conclude, I would like to share some final thoughts on Budget 2023. Recently, I read about the Cost-of-Thriving Index in America, which suggests that while many economists argue that America's working families are more prosperous than ever before, families themselves feel that they have come under increasing economic pressure. The report suggests that the families are right.

As the Government strategises on how to move forward in a new era, I hope the future Singapore will not be one where we worry about not being able to attract the rich and famous or the largest and most profitable corporations and hence, have the average Singaporean shoulder a higher tax burden. I hope it will not be one where we have a shrinking middle class owing to income inequalities and I hope it will be one where every Singaporean family can thrive.

Mr Speaker: Prof Hoon Hian Teck.

2.45 pm

Prof Hoon Hian Teck (Nominated Member): Mr Speaker, Sir, the presentation of the Government Budget in Parliament by the Minister for Finance is an expression of hope for the country. The Budget Statement looks at the prospects for the country, taking into account both the current challenges as well as the opportunities. How did things look when the Minister for Finance presented Singapore's first Budget after gaining independence on 9 August 1965? How do things look in 2023? We can get a glimpse of how things look more than half a century ago from the 1970 Budget Statement presented by the then-Minister for Finance, Dr Goh Keng Swee, as he chose in that Budget Statement, to do a review of Singapore's economic performance during the preceding decade.

He said: "On the morning of 9 August 1965, I was in Fullerton Building, brooding over the enormous problems facing the country and the Government. The problems of the future loom in awesome and intimidating proportions." Nevertheless, Dr Goh was able to say in his Budget Statement in December of 1967, that after two years of independent existence, the Republic of Singapore continued not only to survive, but also to flourish, to the surprise of many observers.

Singapore's first Minister for Finance expressed hope when our country was still a newly emerging economy, while the present Minister for Finance expresses hope in presenting Budget 2023 when we are already a mature economy. Yet, in preparing the Government's Budget, I believe that there are enduring lessons from the past that are still applicable today which have to do with the role of economic growth in creating fiscal capacity, the necessity of integrating into the global economy for sustaining economic prosperity and the centrality of job holding in a dynamic economy.

First, the role of economic growth in creating fiscal capacity. Over the years, Singapore's tax revenue has grown in tandem with the expanding Gross Domestic Product (GDP), thus providing adequate resources to finance total Government spending. An analysis of the data shows the share of Singapore Government operating revenue as a share of GDP keeping pace with the Government spending as a share of GDP from 1965 onwards, except during the years of recessionary shocks, when we ran deficits. It is likely that Singapore's economic take-off that caused our economy to grow faster than the world's technology leaders in those years, expanded the size of the economic pie and raised tax revenue at given tax rates to help pay for our national expenditure.

It is inevitable that with Singapore getting closer to the world technology frontier, growth must inevitably fall to a more moderate level that is typical among the advanced industrial economies. The more moderate growth rate is likely to be propelled by productivity growth. In the earlier years, the increase in investment rate, the increase in labour force participation, helped to boost growth. But in this stage of being a more mature economy, that moderate growth rate has to be propelled principally by productivity growth, which in turn will depend on technological diffusion from abroad as well as indigenous innovation.

Indigenous innovation is partly driven by spending on research and development by the private sector as well as the higher education sector and public research institutes. However, indigenous innovation is importantly undertaken also by economic actors at the grassroots, conceiving new products to launch and better processes to churn out existing products. In this regard, the Enterprise Innovation Scheme introduced in Budget 2023 will help businesses press on with innovation.

Established firms, the bigger firms, may be hesitant to launch new and higher quality products for fear that their existing product lines might be displaced as customers shift away their purchases. Small firms and new startups therefore have greater incentive to find new niches because they do not have the same problem as these established firms. They dare to venture into the dark and try something new. However, they are limited by the availability of financing. As new business startups drive innovation in the new economy, a central relationship that comes into focus is that of financiers and entrepreneurs. Angel investors provide financing for startups. As our education system invest in providing our students more and more, with the opportunity to venture into the unknown and increase the supply of entrepreneurs, the match between angel investors and people with good business ideas might improve. So, in this next stage of growth, as our students operate in a more innovative, exploratory, education system while learning all the basics, maybe we will see more of them daring to venture into the unknown, to try it out, being entrepreneurs. This will improve the expected returns to financiers and increase the number of startups that receive financing. More successful early stage business ventures might then stimulate the supply of financing from venture capitalists. Therefore, in Budget 2023, with the augmenting, the SME co-investment fund, that helps to strengthen our enterprise financing ecosystem.

Second, the necessity of integrating into the global economy for sustaining economic prosperity. This is despite the fact that as the Budget Statement presented by the Minister has acknowledged the era of untrammelled globalisation is over and greater contestation and fragmentation of the global economy is likely. Still then, integrating into the global economy remains very important.

Economic integration in the global flow of ideas, goods and services, capital and labour, I believe, remains necessary as this expands our GDP and provides the fiscal resources to strengthen economic inclusion. Integrating into the global economy boosts our GDP through several channels.

As the industry expands through selling into the external market, each firm, even though small, experiences the productivity boost that allows it to expand output. For example, industry level trade missions into the regional economies gather useful information that each firm can take advantage of to expand sales.

Another point, more productive firms also self-select into selling in export markets as they are better able to cover the fixed costs of establishing export platforms. You need to incur some fixed cost just to find out how the market looks like in an overseas economy. Export-oriented firms are therefore larger. Larger firms tend to devote more resources to screen workers and improve the quality of their work force. Consequently, larger firms pay observationally equivalent workers more. Empirical evidence suggests that neighbouring countries, after adjusting for country sizes, tend to trade more with each other. So, the regional market provides an opportunity for our domestic firms to gain experience of selling abroad and learn from exporting. The experience gained can later help this firm to achieve international competitiveness to sell beyond regional markets. The Budget Statement notes that our deep relationships with both the US and China as well as the ASEAN economies, make us an increasingly important place for global and regional businesses. Setting aside \$1 billion to boost the Singapore Global Enterprises Initiative in Budget 2023 adds further support to our internationalisation efforts.

Demographic trends create headwinds for Singapore even as we move to develop indigenous innovation. As our wages increase from the 1960s, the opportunity cost of having another child has also increased. While higher incomes means that people can afford to have more children, it has been observed that the total fertility rate tends to decline as countries become richer. This suggests that the substitution effect dominates the income effect of higher wages. In other words, if my wages are higher, sure, I can afford to have more children. On the other hand, raising a child is a very time intensive activity and possibly having another child means having less time in the market workplace. And that means forgoing a higher wage. That is the substitution effect and it is quite general across many countries of different cultures. As countries become richer, the total fertility rate steadily declines.

So, people invest more in raising the human capital of their children, even as the family size shrinks. That is how they spend their added income – investing in their children. So, in that regard, increasing the Government-paid paternity leave from Budget 2023 from two weeks to four weeks for eligible working fathers of Singaporean children serves to widen the opportunity for children to benefit from their father's investment time in them.

What poses a challenge for Singapore at this stage of our economic development is that an economy where older age structure appears to generate slower productivity growth. One reason for that, is that the lower labour force participation rate among older workers limits the extent of knowledge transfer from older and more experienced workers to younger workers. Another reason is that the pace of innovation tends to slow down due to a decline in the supply of entrepreneurs as we have more people who are older in the population. So, to generate economic prosperity in the mature phase, Singapore, I believe, will have to adopt a two-pronged approach, both to boost total fertility but at the same time to manage a controlled flow of immigrants to keep the population size from shrinking.

My final point, the centrality of job holding in a dynamic economy. A person's self-esteem tends to be very much tied up with the ability to tackle challenges that the workplace throws up. There is a sense of accomplishment that comes from being able to size up a problem at our workplace and to pull together the available resources to solve the problem.

When one's contribution to solving a problem is acknowledged, even if only tacitly, it boosts our self-confidence and encourages greater initiative. Work also gives structure to one's life. Many goals that we set are work related and these serve to give us a sense of purpose as we begin each new day. When we are absorbed in our work, time flies. On the other hand, there is a certain listlessness that accompanies prolonged joblessness. Many meaningful relationships are also developed at our workplace. This is partly due to the fact that the production process in modern enterprises is a collaborative effort requiring teamwork. As we work along with colleagues to achieve common goals and contribute jointly to problem-solving, we develop a social bond and a sense of belonging that are important for our emotional health. When workers across the whole economy find their work meaningful and are ready to think constantly about how to do their work better in novel ways, the result can be higher job satisfaction and a boost to aggregate productivity growth.

Budget 2023 affirms the centrality of job holding as it introduces measures to uplift the wage earnings of lower-wage workers and also provide support to reskill displaced workers and match them to new jobs.

Mr Speaker, Sir, in conclusion, Dr Goh Keng Swee, ending the narrative of the decade in his 1970 Budget Statement, also said, "Throughout the decade, there was a persistent search for practical solutions – a patient building of institutions and infrastructure, a generous allocation of funds and an accumulated collection of talented staff. In the end, it paid off. It is imperative that we should never either through extravagance or carelessness, fritter away all that we had so laboriously built up. We must build on the foundation of the accumulated experience of the decade and ensure that progress and prosperity will continue to higher levels of consolidation."

I believe that Budget 2023 is consonant with this wise counsel. I stand in support of the Budget.

Mr Speaker: Mr Christopher de Souza.

Mr Christopher de Souza (Holland-Bukit Timah): Mr Speaker, Sir, this year's Budget is about moving forward in a new era. Deputy Prime Minister Lawrence Wong has said that we cannot simply do the same things as we have in the past and assume success. It involves asking ourselves hard questions where solutions sometimes involve competing interests.

Mr Speaker, today I would like to raise a few hard questions on two issues and consider whether the trade-offs we have made continue to measure up under examination. Instead of just raising questions on these topics, I would like to, humbly and sincerely, offer my own suggestions and solutions for this House to deliberate upon.

The first issue is something deeply concerning to me and many other Singaporeans – that is, the growing number of workplace injuries and fatalities.

Last year, on a Tuesday morning in December, Mr Ely Chow was struck and pinned down by a machine as it was being transferred by a forklift. He was taken unconscious to Ng Teng Fong Hospital and subsequently passed away from his injuries. I was there at his wake in Ghim Moh and it affected me deeply. Ely grew up in Ghim Moh, in Ulu Pandan, the constituency I serve, where his mother and father live. His sister, Ruth, and her husband also live in Ghim Moh. Ely was just 31 years old and was, together with his fiancé, waiting to move into their Built-To-Order (BTO) home in Ghim Moh, a stone's throw away from where he grew up. I felt the family's anguish at the wake. I promised them that I would speak up for Ely in Parliament. I am fulfilling that promise today.

Ely was one of 46 workplace fatalities in 2022 – the highest number since 2016, despite a heightened safety period imposed in September. This year, there have already been five workplace fatalities in less than two months, most recently of which was the harbour pilot from PSA Marine. Additionally, the major injury rate per 100,000 workers has increased in the last few months from 16.8 to 18.7.

In response to this, the Ministry of Manpower (MOM) has implemented a six-month heightened safety period since last September and has extended it till May this year. This is necessary and I am encouraged by it. I also acknowledge that the Government has accepted the eight key recommendations by the International Advisory Panel on improving workplace safety and health.

Notwithstanding all that has been done by MOM and the relevant stakeholders, Mr Speaker, Sir, I believe there is far more we can do and we owe it to the workers to ensure their utmost safety. Let me explain and thereafter offer solutions.

Our Workplace Safety and Health vision is to have workplace fatalities to be below one per 100,000 workers by 2028. I believe this is not only possible, but necessary as we continue to build and develop Singapore. The men and women working in these high-risk sectors, both locals and migrant workers, help to build and maintain our buildings and keep the infrastructure of our nation running.

There are two things and two sub-issues I believe we can continue to strengthen our workplace safety.

Firstly, we need to build a strong safety culture where employees are mindful of their own safety and employers take responsibility of their employees' safety. This involves all stakeholders and goes beyond the physical workplace.

Many of the injuries and fatalities happen within the construction sector where there are high heights as well as the transportation and storage sector where vehicles are involved. A culture prioritising safety is a collective effort. Designers and developers must take into consideration how something can be safely built and maintained. Clear and simplified instructions of how to implement safety regulations can ensure that employees on the ground will be up to date.

We must have a framework of safety to ensure regular maintenance of all equipment and checks by MOM to see that standards are upheld by both large firms as well as SMEs. Particularly for SMEs, where manpower constraints and the difficulty of implementing such safety regulations are more apparent, we need to consider how to make the adoption of industry safety standards as straightforward and sustainable as they can be.

Secondly, getting the appropriate and sufficient training as well as regular refreshers are important to ensure that all equipment are safe to use. This applies to employees as well as more senior management such that this safety culture is inculcated into each firm's core values. Especially with new workers, proper training must be given so that each worker knows how to use the relevant equipment and knows what other safety measures to abide by. Proper training imparts a culture of responsibility and watching out for other workers as well.

Mr Speaker, Sir, there are two other sub-issues I would like to raise in relation to workplace safety.

Firstly, COVID-19 has heightened the difficulties for many industries. There is a crunch in manpower, delays in projects causing upward pressure to work faster and many workers and constructions resuming after a long time-off. A combination of all these, along with supply chain disruption, has increased the risk of hazards. I understand these pressures. But this is a trade-off I am not willing to pay. I am not willing to lose a life on the worksite. I have provided some solutions in my speech already.

Sir, our economic success has been built upon how we value people and how we value life, and we cannot deviate from that.

In relation to that, I believe we need better infrastructure of how we provide information and support for victims and their family members. Losing someone is always painful and particularly so when it is sudden and unexpected, which is the case with all workplace fatalities. There must be a more systematic way to inform family members if any incident has occurred so they can arrive as quickly as possible. In addition, while of course investigations have to take place and run their due course, information can be provided to the victim's families to assist in at least some partial closure in a very painful episode.

Mr Speaker, Sir, by rethinking our safety culture, we can tighten our social compact by lowering workplace fatalities and providing the right care to victim's families.

The second topic I would like to speak on is education. Singapore's education system is one that we can, and should, be proud of. It is world renowned for producing exceptional students across the board who are prepared to tackle the significant issues and challenges our world faces today and who consistently rank highly globally. Some may then ask, why speak about, or fix something, that is not broken.

The answer is because we must focus on the true mission of education: to prepare our young for the world and give them equal opportunities to attain better lives. Rankings do not tell the full picture of our education system. Rankings have a purpose, but to an extent. This is especially so in uncertain times, where we must develop students holistically to achieve the best they can. We must therefore continually evolve and adapt to ensure our system is prepared for the future.

Today, I would like to ask for a rethink of our education system and syllabus, and in relation to that, the PSLE and our heavy reliance on tuition. This issue is not new. In fact, the Ministry of Education has addressed concerns over the years and brought forth many changes in our curriculum to better equip our children, including removing the T-score for the PSLE. Nevertheless, tuition in Singapore remains a billion-dollar industry, possibly a multi-billion-dollar industry, with seven out of every 10 children in Singapore enrolled in tuition, with the PSLE, in particular, providing a great element of stress.

Let me now, Sir, provide some humble suggestions and possible solutions.

Firstly, I would like to propose that perhaps it is time for a rethink of the syllabus in order to right-size it. Reducing a syllabus to an appropriate size cannot be done arbitrarily and the syllabus is crafted according to the changing needs of our nation. I accept that. So, certainly, it would be hard to figure out what should be prioritised because every part of the syllabus is arguably important to prepare students for the future. I also note that there have been many revamps of our curriculum including the introduction of the "Teach Less, Learn More" scheme.

Nevertheless, I take reference from the Finnish education system, an education system that has consistently ranked highly and is similarly well regarded around the world. Not only does Finland perform well on PISA, students face less stress and after-school tutoring is rare. While a direct *pari materia* importation of Finland's model is certainly not possible because of cultural and structural differences, a page can definitely be taken from their book.

When the Finnish education system was reformed in the 1980s, Finnish educators shifted their focus away from test scores and Math and Science comprehension to building a "happy, harmonious and healthy student and learning environment". This focus was to help "every single child" in a way to combat social inequality.

In Singapore, we already have, yes, the existing programmes to target inequality like the Uplifting Pupils in Life and Inspiring Families Taskforce (UPLIFT). But I believe, as the Finnish did, that we can consider a redefinition of success and the end goal of our education system. Especially in an uncertain world, these transversal skills I have just mentioned – particularly critical thinking skills and learning to learn and research – are what we must focus on.

Having that in mind, we can tailor and reshape the syllabus around these core skills which hopefully would lighten the actual workload on students. Finnish students have little homework and thus do not spend more than half an hour outside of school time to finish homework. This lightened workload then allows for more sleep for students and less need to rely on tutors.

Creating such a culture in Singapore would reduce the need for tuition merely to do school homework but rather focus on tuition merely to boost a child in particular areas in which he or she struggles in, where needed. So, the syllabus needs to be less stressful so that there is small, or little, or no need for tuition.

Secondly, I would suggest having every primary school affiliated with a secondary school so that the student can transition to that affiliated school easily if he or she so wishes to go that school. That would allow nearly every student to be assured secondary school entry in a school familiar to him or her.

I would even suggest perhaps that we need to consider doing away with the PSLE altogether. There are already continuous assessments every year in primary school – and with a proper scheme of affiliation, students can focus on more holistic and long-term learning. That would give them a longer runway till 16 to prepare and allow late bloomers to catch up.

Finally, I would like to suggest that all secondary schools accommodate all streams in their campuses to ensure students of different academic abilities mix together in one school while still going to class according to their respective academic abilities.

We have already introduced Subject-based Banding (SBB) and see the positive effects of it to allow students to learn at their own pace and to remove possible stigma associated with certain labels.

Currently, SBB does not apply to all schools and certain schools only accept express students and IB students. I would like to humbly suggest that while such programmes are good, allowing more porous boundaries will allow groups of students to mix more freely. It is well known that the social environment of a school can positively influence a student's academic behaviour and performance.

This is not a proposal I make lightly, nor is it something that can be simply implemented with the stroke of a pen or the wave of a wand. But its benefits are obvious. We need only look to National Service – an education and training system in its own right – to see how it has helped Singaporeans learn to live and work together, unite and forge a common identity regardless of race, religion or background.

This is something we have done before and I believe we can do it again – this time in our schools.

While it is certainly true that catering to specific segments of students, such as those with high academic ability or strengths in specific areas or those who prefer a more hands-on and technical training can have its advantages, these benefits are not necessarily negated if we start to mix streams within all schools.

Mr Speaker, Sir, as we continue to rethink and redefine our school system, we must consider that there are many roads that lead to a fulfilling life and results cannot be the only marker.

Removing the PSLE would reduce the pressure on students. Students would be geared towards education, not results. Learning to mix with people from all walks of life is invaluable and wholesome and rich, and it carries into the working world.

I humbly submit that, together, all these suggestions, along with the many others that I know MOE is considering, will be able to help Singapore continue its legacy of developing students who can grow into citizens who can tackle the problems of tomorrow.

Mr Speaker, as we deliberate over how to bring our nation forward, we have to make hard decisions on finding a balance between various trade-offs. I believe we owe this to the residents we serve and in that way, we can build stronger solidarity to take Singapore forward.

Mr Speaker: Mr Shawn Huang.

3.19 pm

Mr Shawn Huang Wei Zhong (Jurong): Mr Speaker, those of my generation would fondly remember visiting the computer lab in school – bulky cathode-ray tube (CRT) monitors and the screeching noise of a dial up modem. Twenty-eight point eight kilobits per second was what we had. Much later, the 56.8 modems were on after-burner.

This was probably difficult to comprehend – why the hype over a computer lab? But back then, this was cutting edge.

Access to computers was a luxury. Much earlier, I remember loading MS-DOS using floppy drives. I remember hardcoding my first html website in 1996 and uploading it onto Angelfire, a free hosting website. Computers back then were the 486 Pentiums and the thought of having dual core and quad core chips were to me, space technology.

February 2023 marks the dawn of generative artificial intelligence (AI). This is becoming the new Internet in the pursuit of new experiences.

We have heard this before. The rate of technological change is accelerating. It is unpredictable and unprecedented. But the pace of change has gained additional momentum with the arrival of tools such as ChatGPT.

For a long time, the generic Google Search was much of everything we knew of the Internet. Chatbots are not a new idea. For a decade, we had Siri and Alexa, but the level of performance and adoption in Generative Pre-trained Transformer (GPT) is astounding. What took Facebook four years, Instagram, two, Google, one to achieve 100 million users, ChatGPT took two months.

More recently, Microsoft invested \$10 billion into ChatGPT. In response, Google has invested \$300 million in its rival, Anthropic. The Massachusetts Institute of Technology (MIT), an educational research institution with an endowment of \$24.6 billion, committed \$1.1 billion for AI research. A \$2 billion investment from IBM, \$4.6 billion from Volkswagen, and many more.

Nvidia took the lead as the company positioned its latest Pascal chip architecture as purpose-built for AI, holding 90% of the market for processing chips using training and machine learning today.

From 1959 to 2012, computing power doubled every two years, tracking Moore's law. Today, computational power used to train the largest AI models doubles every 3.4 months. That is a rate seven times faster than before.

If you think that this progress is rapid, this was limited because graphics processing units (GPUs) could only condense computational power over a few hundred cores.

An AI chip maker, Cerebras, recently built the largest chip in the world – 22 inch on each side, 2.6 trillion transistors on a condensed computational power of 850,000 cores, with a 100 trillion parameters. Compared to what I knew of 486 Pentium computers, this was not space technology. This was alien technology.

This progress will keep pace with machine learning and robotics. In 2022, Amazon invested \$1 billion into robotics. Amazon hires about 1.6 million workers at the end of 2021 and today, it adds about 1,000 robots a day. The number of robots to workers today is about a third. By 2023, Amazon will have more robots than employees.

With global investments reaching \$232 billion by 2025, these capabilities will soon be quickly moved from supply chain to manufacturing. Employment will be disrupted.

Throughout history, there have been a handful of technologies that have truly transformed the world, unleashing new levels of productivity and prosperity. Think of the steam engine, which took 100 years, 25 years for the telephone, 30 years for electricity, and the printing press, which was invented in 1439, only widely adopted 500 years later in the 19th century. These technologies changed the way we live and work.

However, this time, it will be different.

It took a few years for Kodak to slide into bankruptcy. But with AI, the time required for a Kodak moment by pressing the camera button on the latest iPhone, a single AI would have generated more than a billion bits of information – a quantum leap by any measure.

The UK plans to become a global AI superpower. From the codebreaker Alan Turing's early work to London-based powerhouse DeepMind, UK is ranked third in the world for investments to AI companies and a third of all Europe's AI companies – just behind the US and China. More recently, British Telecom quick-paced and established an AI developmental hub, launched an AI accelerator and registered more AIs than any UK entity.

South Korea has similar ambitions and aims to become a powerhouse, with investments of \$642 million into companies developing advanced AI chips. As part of the larger vision for South Korea, Seoul has set aside \$795 million for AI semiconductors and another \$235 million for next-generation platforms.

According to the Global AI Readiness Index, Singapore ranks second behind the US. Looking deeper into the data, Singapore outperformed in government and infrastructure pillars and must strive to do better for the technology pillar – impressive for a small country of a population of 5.5 million.

We must continue to do this good work, to be courageous in investing and building our future capabilities. We have a window of opportunity to become truly an intelligent nation to drive economic growth and improve the quality of life in Singapore.

Quality of life is closely linked to our access to resources.

The world consumes about 92 billion tonnes of resources each year – approximately 1.7 times the amount consumed in 2000. In the last 15 years, the global consumption of commodities increased by 40%. At the same time, investments in new mining projects have fallen to 15-year lows. The discovery of copper is on a gradual decline, with only one major discovery in the last five years. Many more resources follow a similar trend.

We are just at the start of a long run of shortages and higher prices. Even if supply was available, we cannot assume that it is accessible, not least until the producer country has stored ample supplies for domestic consumption. Copper and critical materials are at the leading edge of this global shortage. In due time, the rest will follow.

Who are competing with us for these resources?

In the 1960s, most of the global population were living in poverty. Today, we have 2.5 billion people in the middle class. The uplift of the middle class, coupled with better access to healthcare and education, has increased the number of professionals and global talent.

In 2020, China and India graduated over 90 million students from universities, with 2.7 million of them with degrees from science, engineering or technology. In the US and European Union (EU), 7.5 million students graduated from universities, mostly in business, healthcare, social science and law. This will continue to increase by another 30% by 2050.

This is the global competition for good jobs and quality investments and it will be increasingly difficult.

Mr Speaker, this Budget is well crafted, balanced, sustainable, with a progressive stance for the future. This Budget will help us to build strong foundations for innovation and collaboration, setting the right tone and pace. It sets out the importance to work on the strategy collectively – every stakeholder and entity, every Singaporean, a role to play. It reflects our values to give every citizen opportunities to discover themselves and contribute meaningfully, each contribution appreciated and cherished.

This Budget reflects our vision and ambition to build with courage the Singapore we want for tomorrow. Each year, natural disasters have shocked the world – earthquakes, tsunamis, pandemics. Some deadlier than others. War conflict and failed government policies are disasters we strike upon ourselves. Famine, economic collapse, inflation – we may be powerless in the face of a natural disaster, but we can prepare for them. We may not have the influence over policies of others, but we can prepare for them.

In the movie "World War Z", standing behind the impenetrable fortress and high walls, Mossad Chief, Jurgen Warmbrunn, explained the concept of the 10th person in the council of 10, the person charged with the responsibility, challenging every assumption, no matter how improbable it may seem to safeguard the "what-ifs" for the country. This gave them time to build up defences and face the threat.

In the Six Thinking Hats of De Bono, white, red, blue, yellow, green and black, the black hat is to imagine everything possible that may go wrong and to build capabilities for it.

In Finland, during the World War II, the Finns suffered greatly as a result of being cut off from imports. Today, the Finns would study anything that would possibly go wrong and prepare for it, never again to repeat history. According to one of the Finnish reports, it was this particular work that enabled Finland to stock up face mask as part of the strategic reserves which readied them for COVID-19. Then, many

say it was paranoid, excess, a waste of public funds. But for catastrophic event for once in 100 years, I say it is for survival.

Singapore has weathered many crises since Independence. Closest to World War Z was Covid-19. We had the oil crisis of 1970s, the economic crisis, SARS and global economic crisis of 2008. We also had our fair share of destructions throughout the years, some more dire consequences than others. But what's fresh in our minds was the COVID-19 pandemic and the conflict between Ukraine and Russia. It reviewed the vulnerabilities and independence of the global economy.

First, medical supplies and equipment were in short supply. Then, food shortages worldwide, with rising prices of fertiliser, oil and grain, amongst many others. This was a race for resources and for survival. We must remember that, to survive, it is not just the 10th person or the black hat, but the contributions of all five other hats, doing their best to be innovative and creative with balance and poise, emotive and inclusive, building and fighting a strong team for Singapore.

In my maiden speech two years ago, I shared the importance of relevance and how Temasek's 700 years of history had its fair share of turmoil and success. Last year, I spoke on the dramatic rise of China's AI development and holding more AI patterns than any other country.

Today, we observe the emergence of ChatGPT and other tools, reading articles on Google's Survivor and Meta Facebook existential struggles. The pace of innovation, technological change and relevance is constantly shifting, more dramatic, the stakes much higher, opportunities and threats at every turn.

Mr Speaker, existentialism is in our DNA. Singapore has been building his capability since our Independence, a strong banking and financial system, robust and progressive public housing. Robust because HDB has enhanced our public housing for seismic events – earthquakes. For food, with several months of strategic reserves – rice, eggs, poultry, vegetables. Stockpile of antiviral drugs, amongst many essentials. Reserves to rebuild our entire country in disastrous calamity.

How do we retool our entire workforce when needed? Do we shrug our shoulders and say, it is just bad luck, it is beyond our control? I say, let us continue to prepare for our survival.

We've heard those who suggested that we should prepare less, do less, take our time. We can cut the little and assume disasters and its recovery is preordained. Mr Speaker, I daresay we have no interest inverting to become a mud flat. We are not in the interest in building the country for a lifetime, but on a journey of building a country for many lifetimes – 100 years, 1,000 years, 10,000 years. Yes, no civilisation has existed that long yet. We will try. We may fail, but we will do our utmost.

One of Mr Lee Kuan Yew's most memorable quotes, "Over 100 years, this was a mudflat. Today, it is a modern city. Ten years from now, this will be a metropolis. Today, we are here but we have not arrived. We must never think that we have arrived. We are on a journey, building a country and nation to thrive for 1,000 years and beyond. Today, we continue our work of our forefathers in building and fighting for a better future. We must not fail. We must not falter, not on our watch, not today, not tomorrow. For an impossible dream to a credible vision, we craft our reality for tomorrow. Majulah Singapura." Mr Speaker, I support the Budget. [*Applause.*]

Mr Speaker: Mr Dennis Tan.

3.36 pm

Mr Dennis Tan Lip Fong (Hougang): Mr Speaker, I will be speaking on three issues, First, I would like to speak on certain issues relating to the support for our seniors, followed by the proposed change in the Working Mother's Child Relief and finally, like in my previous years' Budget debate speech, I will continue with the issue of green transition this year as we edged one year nearer to many of our green goals for Singapore.

Mr Speaker, the Deputy Prime Minister and Finance Minister Mr Lawrence Wong said that the Government will need to review and update our approaches to aged care. Aged care is another area that is close to my heart. Indeed, this topic is part of the everyday conversations I have with my senior residents when I talk to them in my house visits, or at the void decks, coffee shops, neighbourhood parks or the Active Ageing Centres (AACs) in Hougang.

Deputy Prime Minister Wong said that as part of the Forward Singapore exercise, the Government is studying how it can enhance the range of care and support options within the community and this includes the operating model of AACs and how it can strengthen and coordinate the providers in the aged care sector which is highly fragmented today. I look forward to this.

I must admit having had similar experience when I tried to help some of my Hougang residents navigate their way through the system especially when it comes to different needs or problems. I do agree with the need to review and sharpen how our AACs or eldercare centres can better serve the needs of our seniors in their cluster in a more holistic manner, all the more with Healthier SG coming on. We should work towards centres which cater to different needs of seniors whether social or medical. And when it comes to so-called more specialist areas like mental health, disabled persons who are seniors, the centres should still be the referring centres even if other organisations or sub-units are involved. In this way, seniors living in the cluster will be better served with less confusion and bureaucracy. Centre staff will also have better knowledge of seniors under their care.

I would also like to repeat my call in my speech during the Healthier SG debate to the Ministry of Health (MOH) to study how outreach efforts can be made more effectively to seniors who are not active in the AACs, the eldercare centres or stay in touch with the centre staff or even with their neighbours, so that such seniors can better receive the intended care and support under Healthier SG as well as under

the cluster support which can be provided by AACs.

Deputy Prime Minister Wong also announced that he 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 understand that for purposes of mean-testing, the income of all family members living in the same household is taken into consideration. Specifically, the monthly household income per person is used to determine the amount of subsidy allocated to eligible seniors. However, where households have no income, such as a retired couple or a retired single person, consideration for subsidies take into consideration the annual value of such retired seniors' residence.

Recently, some of the seniors in Hougang gave feedback to me that as the Government has increased the annual value of their homes, this has affected the ultimate medical subsidies they get. Will the Government review the effect of the increase in the recent assessment of annual values on seniors' eligibility for medical subsidies?

For retired seniors living alone and with no source of income, any increase in medical expenses adds burden and pressure. Even if they can theoretically downgrade to a smaller or cheaper home, this may not always be an appropriate solution and it could be for a variety of reasons including mental health. Some, if not many, may have bought into the notion that their house is an appreciating asset and it cannot be let go. There are seniors in my constituency who have continued to live in the same flats even when mobility issues and lack of lift access meant that they hardly left home or preferred to be physically carried to the next floor for lift access when they had to go out. Telling people to downgrade and/or shift to different home is never as easy and definitely not an empathetic solution.

Deputy Prime Minister Wong also said that while nursing homes are suitable for the elderly with high care needs and little to no family support, we cannot rely on this as the mainstream solution. A few years ago, MOH began efforts to ramp up nursing homes. In June last year, we were told that MOH planned to double the number of nursing home beds to more than 31,000 in the next 10 years. May I take this opportunity to ask for an update on the current adequacy of nursing homes, including the adequacy of nursing homes for all and different categories of care? I am reminded of this issue as I recalled being told by a resident last year how his father had to wait for some time to be allocated a nursing home. This was under category 4 care, even though there were beds available for other categories of nursing home care. This issue was also brought up by my colleague Sengkang Member of Parliament Mr Louis Chua not long ago.

Next, I would like to touch briefly on the proposed changes in this Budget to the Working Mother's Child Relief from 2024 onwards. At the onset, this relief is meant to encourage working mothers to stay on at work after having children by having a fairly significant tax relief. Under the existing scheme, working mothers are entitled to a fixed percentage of income reliefs for every child. The reliefs are capped at a maximum of 25%.

Under the proposed changes announced during the Budget speech last week, the tax reliefs will be changed with effect from 1 January 2024 from a percentage of a working mother's income to a fixed sum for each of the first child, \$8,000; second child, \$10,000; third and subsequent child, \$12,000. Essentially, such a change benefits the lower income earning working mother but for middle income earning working mothers from, say, \$4,200 per month possibly onwards, they will experience relatively lower income reliefs from 2024 onwards as compared to what they are entitled to. Essentially, this affects working mothers having a child from January 2024 onwards. It remains to be seen whether and to what extent it may deter middle income earning working mothers from having children or more children under the scheme.

Has the Ministry of Finance (MOF) calculated what is the net effect of this scheme on the Budget and whether it is one that significantly saves money? If so, like what the hon member for Sengkang GRC Mr Louis Chua has said, why not just give a motherhood tax rebate to lower income working mothers and if the tax rebates exceed the tax payable, tax credits can be paid out in cash?

Regardless of the Government's intention, I think it sends a discouraging signal to affected working mothers and takes the shine off the originally intended symbolism of this scheme. I am not sure this is the right signal to be sent to our working mothers.

Moreover, it is unfair to penalise only mothers who give birth or have children from 2024 onwards. Also, there are many working women who may have married later and/or those who struggle with infertility and some of these already come with additional costs. The change may also inadvertently apply time pressure which is unfair to these women.

Let me now move on to our ongoing efforts for green transition. Mr Speaker, I am heartened that Singapore has raised its national climate target to achieve net-zero emissions by 2050. The Government has said that these for Singapore require catalysing business transformation, investing in low-carbon technologies, pursuing effective international cooperation and adopting low-carbon practices. These key thrusts are indeed necessary to achieve Singapore's net-zero ambition.

However, we also need a check on demand. While we adopt low-carbon technologies, such as carbon capture, utilisation and storage and low-carbon hydrogen for industrial heating, we must not feel that this helps to decouple industrial growth from the carbon constraint and that it allows us to continue business-as-usual. We live in an increasingly carbon-constrained world and we must downsize or allow carbon inefficient activities to leave our economy to decarbonise effectively.

In order to do this, we need a detailed roadmap for re-training workers in these sectors as Singapore intentionally decarbonises. The management of transition of businesses and workers in carbon-intensive sectors contributes to a just-transition. SkillsFuture Singapore's Skills Demand for the Future Economy (SDFE) Report 2022 identified sustainability skills as one that has high demand and transferability.

Yet, between the need to reskill and retrain our workers, and them actually acquiring the skills and applying it to their existing job functions or in new roles, there is a time lag. Understandably, businesses and workers need time to transition and pick up these new sustainability skills and transit to new jobs.

I noted in my last Budget Debate speech that there were around 27,000 people employed in this sector in 2020, and I focused on the manpower transition and asked how the Government intends to manage the green transition, specifically in the petrochemicals industry. A year on, this is still a question mark and a concern of mine.

Do we have sufficient sustainability-related courses that businesses and workers can afford to attend, both in terms of time and money? How much more time will it take for the learning to be internalised and applied? We must take deliberate steps to help workers transition and we have to do so mindfully, since jobs today still need to be done.

But we can and must afford workers the time and resources needed to attend training, make it easier for course providers to provide subsidies, such as SkillsFuture Singapore funding to workers and to be patient as the learning-doing gap is bridged over time.

I hope to hear some update on the progress made last year for green transition in the petrochemicals industry, generally, as well as on the issues of manpower transition. If, indeed, the Government expects that emissions may peak earlier than 2030, it is even more critical to have an accelerated timeline for our manpower transition.

Mr Speaker, I next move to seek some update on the electrification of our vehicular fleet. The passing of the Electric Vehicle (EV) Charging Act last year is welcomed, as it helps to establish clear technical and performance standards of all EV chargers. However, I do feel that the Government can still do more to persuade people to make near-term plans to switch from internal combustion engine vehicles to electric vehicles, which is about just 11.7% of all cars registered in 2022.

While the vehicular road tax changes for EVs last year, coupled with the increase in petrol prices in Singapore in the last half a year, might have made EVs a little bit more attractive to would-be buyers, it would be helpful to have a detailed roadmap on EV roll-out, so that consumers can make informed choices earlier. In addition to a strategic plan that defines a goal or desired outcome, a roadmap must also include the major steps or milestones needed to reach it. Currently, the EV vision still lacks some more details on the steps and milestones.

Some key issues with EVs today include battery reliability, software problems and the lack of local infrastructures for charging EVs. It also remains unclear how fast certain logistics fleets, including but not limited to light goods vehicles, will be switching to EVs entirely and a number of prominent logistics companies have not yet made any plans, or have not announced any plans for EV conversion, or some have made only preliminary plans for limited initial conversion.

The current public network for EV charging of around 3,600 charging points is still limited and inadequate to support any significant immediate increase in EV numbers. Yesterday's announcement of 2,000 EV charging points being slated to be installed in one-third of HDB carparks by the end of the year, is a welcome development.

I know Minister Iswaran explained at the EV Charging Bill debate that we are dealing with an evolving space, that the technology is evolving, the adoption rates and, therefore, the consequential demand are also changing and the usage patterns, both in terms of driving and charging habits, have yet to normalise.

The Government has, therefore, decided to focus on the 12,000 charging point deployment and that the data from this deployment may inform the Government about the need for adjustment thereafter. I certainly hope this data will be out sooner, and meaningful and adequate adjustments will be made quickly, so that at least we can work towards ramping up on the EV conversion rate sooner.

As we move towards active mobility, there may also be a case for allowing charging stations to be more flexible, to be able to charge other mobility devices, such as electric bikes to cover the last mile distance. Since our national grid is still mostly powered by natural gas, I would also like to ask the Minister to elaborate on whether the Government is considering increasing the renewable energy choices for EV drivers.

Can the Ministry provide an update on whether the EV Common Charger Grant allows or encourages the building of chargers powered by solar or renewable energy? For example, given that some 40,000 chargers, of the 60,000 to be rolled out by 2030, will be in public carparks, is it possible to have some of these powered directly from some of the solar panels fitted on top of the multi-storey car parks and what are some of the challenges to doing this?

Still on the EV Common Charger Grant, I understand from the EV Charging Bill debate in November last year that the grant pays for half of the various costs involved in installing EV chargers and will be available until 31 December 2023, or when it has co-funded 2,000 chargers. I would like to seek clarification whether the grant will be extended beyond the current deadlines and parameters.

Presently, Sembcorp and Shell have faster-charging, solar powered stations but the reach is still limited as Sembcorp's solar powered EV charging hub only caters to their electric trucks and there are still too few stations offering renewable energy options.

Minister Iswaran said, in response to my queries at the EV Charging Bill debate in November, that the light goods vehicles segment saw the highest rate of EV adoption last year, at around 28%. This is encouraging indeed. But may I also ask whether there are plans to roll out policies to incentivise more logistics companies to switch from ICE vehicles to EVs?

Minister Iswaran also mentioned at the debate that the challenge is with the conversion of the so-called big trucks, with the trade-offs with propulsion and so on, and that hydrogen or related fuel types are being considered quite actively in that regard. So, may I ask whether the Government has staged plans on the conversion of these heavy vehicles, be they heavier vehicles or logistics vehicles or other types of heavy vehicles, and whether to electric, hydrogen or other fuel types, given the stated challenges? And what is the road map for this? Will this affect our plans for 2030 and beyond?

Regardless of the classes of goods and different heavy vehicles, there is, of course, a need to look into the time taken to charge industrial vehicles as the owning companies will be concerned with efficiency. Regular drivers may also be concerned with efficiency and securing a charger for when they most need one. This is not to forget that, at least, certain categories of commercial, or even industrial vehicles, may be sharing charging points with passenger and other types of lighter vehicles.

A detailed EV roadmap can also outline pricing, power rating and plug type to enable all EV drivers to plan their charging schedules, including real-time charging updates, which is currently not available on the MyTransport.SG app. Mr Speaker, in closing, I look forward to the replies for the concerns I have raised.

Mr Speaker: Mr Saktiandi Supaat.

3.52 pm

Mr Saktiandi Supaat (Bishan-Toa Payoh): Mr Speaker, Sir, this Budget 2023 is presented in the backdrop of great economic uncertainty. As the world is working to recover from the COVID-19 slump, the war in Ukraine, global supply chain disruptions and soaring global interest rates are just some unforeseen factors which has caused prices to go up in the past year.

The main focus of my speech today is very specific. It is on retirement adequacy for Singaporeans – how do we ensure that our people have enough to sustain their way of life after they stop working or as they grow older. To me, it is a slow boil concern or a clear long-term concern which needs to be raised now.

I decided to focus on retirement adequacy because Budget 2023 has brought the following three issues to the fore.

First, our fast-ageing population, where one in four Singaporeans will be 65 and above by 2030.

Second, as the Deputy Prime Minister has explained – while the Government will do its part to help, it is not sustainable to rely entirely on the Government to take care of our retirees. A significant part of the burden of care will fall on families and future generations, if we fail to plan adequately for our own retirement.

Third, the recent episodes of global uncertainty and inflation has shown us that unforeseen economic shocks can cause our money to be worth less in real terms. So, delaying in taking action on retirement adequacy has an impact on future Budgets, and that is why I am raising it now.

The main feature of Singapore's retirement planning system is the Central Provident fund (CPF), which Singaporeans are well-acquainted with and needs no introduction. There are other schemes and Government programmes aimed at helping retirees, but these are designed around and in addition to the CPF system.

I will address our retirement planning system in three parts: first, the accumulation of retirement funds; second, the leakages of retirement funds; and third, retirement payouts – in that order.

Mr Speaker, Sir, the accumulation of retirement funds through CPF is a tripartite effort between the worker, the employer and the Government. The worker is made to save up to 20% of his wages. The employer contributes an additional amount of 7.5% to 17% of the worker's wages, which is not subject to personal income tax. Finally, the Government guarantees higher-than-market interest rates on the CPF savings, which essentially, gives the worker a risk-free return on investment.

Given the investment environment where stocks and bonds have been underperforming, I would like to take this opportunity to ask what is the net cost to the Government in delivering the higher-than-market interest rates on CPF funds in the past few years?

But first, I am heartened by the steps taken by the Government to bring more workers under the CPF umbrella more fully. The Government's decision to align the CPF contribution rates of platform workers with those of regular employees, following the recommendations of the Advisory Committee on platform workers, would go some way to increase the retirement security for our delivery riders, private hire vehicle (PHV) drivers and taxi drivers.

However, this enforced long-term saving will naturally reduce the take-home pay of these platform workers, and I look forward to hearing the Minister for Manpower's plans to provide the CPF Transition Support to lower-income platform workers, who see an increase in their CPF contribution rates during the Committee of Supply.

But, one particular question that I have is whether such additional support will be available to platform workers aged 30 and above, who opt in to the full CPF contribution regime, or is it limited to platform workers below 30, who are mandated to contribute at the full employee contribution rate?

In the same vein, are there other groups which we are looking to bring under the CPF umbrella, or to enhance their participation in the CPF contribution regime? For example, self-employed persons (SEPs) are presently only required to contribute a percentage of their net trade income to their MediSave Account, but not to their Special or Retirement Account.

How many SEPs voluntarily top up their Ordinary, Special and Retirement Accounts? I note that eight in 10 active CPF members turning 55 in 2027, are expected to have enough savings to receive at least the CPF Basic Retirement Sum (BRS) payout. But, has the Government done any studies on the proportion of SEPs who are able to meet the same amount, whether in voluntary CPF savings or their own private savings? This is important as it would mean future Budgets may need to address this.

As an advisor to the National Trades Union Congress (NTUC)-affiliated Education Services Union, or ESU, one of the first groups of SEPs that I think of, are the freelance adult educators who work across the early childhood, student care, universities, private education institutions and international schools.

My understanding is that some of these adult educators work with their education institutions on the basis of longer-term contracts. There is, thus, very little difference between these adult educators and platform workers. Is there scope to also align the CPF contribution rates of these adult educators, such that they will benefit from additional contributions from the education institutions?

Second, while I can see the rationale for increasing the CPF contribution rates for older workers between 55 and 70 years of age by 1% to 1.5%, I am concerned whether this would be an added disincentive for businesses and employers to hire older workers. The announced CPF Transition Offset will help, but technically, there will still be a higher cost to employ someone who is between 55 and 70 years old.

The chilling effect would be a bad thing because active employment allows seniors to stay physically and mentally active, and to be engaged with a community. That is, in fact, part of our strategy of preventive care, as Deputy Prime Minister Wong had explained in his Budget Statement.

My view is that we must pair these higher CPF contribution rates for older workers, with other incentives or measures, to encourage the employment of older workers, which I think the Government has done so. But besides general training and reskilling efforts, what are we doing on that front beyond what we have already done? Can the Public Service, for example, take the lead in identifying roles that are suitable for older workers and perhaps "ring-fence" these opportunities for older candidates?

Third, the progressive increase in the CPF monthly salary ceiling, from \$6,000 to \$8,000 over the next four years, has attracted some debate on online forums and earlier just now. This appears to target workers earning more than \$6,000 monthly. Does the Government consider this group to be at-risk of retirement adequacy as well? One would expect this group to be capable of going out and investing in their own endowment insurance or other instruments for the longer term.

Is it, therefore, necessary to mandate that such workers contribute a greater proportion of their wages into CPF, considering the opportunity cost to these workers? I am also mindful that this raising of the salary ceiling is expected to add financial pressures on smaller firms who will need to pay increased employer contributions.

Following the Deputy Prime Minister's explanation that the monthly salary ceiling has to go up in tandem with inflation, netizens have also queried why the interest rates on CPF funds have not been increased. The aggressive rate hikes by the US Federal Reserve and other global central banks have led interest rates in the open Singapore market to cross the 4% mark earlier this year, up from an almost 0% interest rate from the large part of 2009 to 2021.

This has made the 2.5% interest rate for the CPF Ordinary Account and the 4% interest rate for the Special and Medisave Accounts relatively unattractive compared to the other investment options like fixed deposits.

Is there any intention to revise the applicable interest rates on the Ordinary, Special and MediSave Accounts in the upcoming quarterly reviews? I would love to hear Deputy Prime Minister's reply to this.

When I raised my Adjournment Motion on "Helping Singaporeans Navigate a High-Interest Rate Environment" in October 2022, I noted that HDB and CPF confirmed that rates will remain unchanged until the end of 2022 but did not receive any more advanced guidance on any potential rate changes over the medium term.

Fourth, and in my view most importantly, we must look to bridge the financial literacy gap and ensure that the majority of Singaporeans think about how they are going to grow their funds for retirement. It is important to get Singaporeans to "buy in" to planning for their own retirement adequacy. Not only do individuals know their own needs and circumstances best, it is also critical for our governance and social trust for Singaporeans to appreciate that the CPF is designed for their long-term benefit and not some plan by an overreaching Government to keep people out of their hard-earned money.

While I am aware of the CPF's efforts to raise awareness and literacy of retirement planning, such as through talks, webinars and roadshows, how effective has such outreach efforts been? And what are the metrics that are applied to gauge the effectiveness of these educational efforts?

From speaking to residents at my Toa Payoh East Financial Literacy Programme, a grassroots initiative led by volunteers and me, I have also found that some of our fellow Singaporeans are not aware of the various options and avenues that are available for them to plan and grow their retirement nest egg.

For example, some residents were not aware of the Supplementary Retirement Scheme (SRS) which complements the CPF by affording Singaporeans the opportunity to make tax-free investments for the purpose of retirement. It is also important to ensure top-ups for non-working women homemakers in our community who may lack enough CPF for their old age. I would like to suggest that we incentivise to help the retirement needs of this segment in our population. It needs to be decided at key turning points like at 55 years old. So, we besides encouraging more members to transfer their CPF savings above what they require for the Basic Retirement Sum to their spouses' Special or Retirement Accounts, we should do more for this group. This will allow both husband and wife to take full advantage of the extra interest on lower balances and enjoy a higher effective interest rate overall.

On that note, perhaps we can mimic the successful LumiHealth app and design an interactive mode for Singaporeans to learn more about the mechanics of CPF and retirement planning. Instead of walking and reading about healthy diets to chalk up milestone points and exchange for supermarket vouchers, Singaporeans can be incentivised to read or watch an informational video or even to practise using certain helpful tools like the CPF Planner for Retirement Income.

Mr Speaker, another aspect of any retirement planning system is to study the various ways in which the retirement fund may be depleted prematurely for other purposes, otherwise known as leakages. Unlike other publicly managed pension schemes elsewhere, the CPF does not include social risk pooling and redistributive elements. Accordingly, the main challenge of our CPF policy is to ensure that not too much capital is withdrawn by the CPF member himself or herself during his or her working life and before retirement.

One of the largest withdrawals that members make before retirement is for housing. In fact, when CPF was first started in 1955, it operated as a savings scheme for home ownership rather than a scheme for retirement income. It was only around the mid-1990s that the Government rebalanced the CPF system to boost cash savings for retirement, by putting in place the Special, MediSave and Retirement Accounts, limiting the amount of savings that can be withdrawn for housing and implementing the Minimum Sum Scheme.

So, if the concern today is more of retirement adequacy, is it time to look into adjusting the allocation ratios such that a greater percentage is allocated into the Special Account instead of the Ordinary and MediSave Accounts? One benefit of adjusting only the allocations of contributions rather than requiring more money to be contributed is that it will avoid increasing the financial burden on both employers and employees.

In the Mercer CFA Institute Global Pension Index 2022, Singapore's retirement income system was ranked ninth out of 44 systems that were studied, and the top in Asia based on the criteria of adequacy, sustainability and integrity. Among other suggestions in the report to improve the system further, it was proposed that Singapore should increase the age at which members can access their savings set aside for retirement as life expectancies rise. This is so that retirement funds are not drawn down too early.

At this juncture, I am not in support of increasing the drawdown age purely on average life expectancy data. There are a significant number of seniors in my constituency of Toa Payoh East and they have shared with me their real fears that they may pass on any time even as others are living longer lives. Some of them have pre-existing medical conditions which only adds to their anxiety.

To the contrary, would the Government consider permitting earlier drawdown of retirement funds for specified purposes, such as defraying medical bills for pre-existing medical conditions or obtaining more comprehensive medical or disability insurance coverage? We obviously do not want Singaporeans to withdraw their retirement funds early only to blow it all at a casino, but the purposes which I have just described are in fact the costs and risks that we want to help our seniors manage.

Ultimately, as the CPF system was created specifically to fulfil multiple goals, including housing, healthcare and education, it has built-in leakages from retirement savings. However, we must still ensure that these allowed drawdowns from CPF money do not compromise an individual's ability to save enough for retirement. May I ask what is the data and the trend for Singaporeans who are unable to meet their Basic Retirement Sum (BRS) or Full Retirement Sum (FRS) at the relevant time?

Where the BRS and FRS increases from cohort to cohort due to inflation, will we be expecting a sharp jump for the upcoming cohorts given the dramatic increase in prices and interest rates over the years? If so, do we need to cater special assistance for more people who may not be able to meet their BRS or FRS?

Mr Speaker, next, on the payouts received during the actual retirement period, the critical aim is to ensure they are adequate to sustain the retired person with a decent quality of life. This is not an easy task given the many unpredictable variables when we look into the future. I welcome the Budget announcement that there will be an increase in the minimum CPF monthly payout from the Retirement Sum Scheme (RSS) from \$250 to \$350. However, I do have a few questions.

This increase is targeted at seniors who are receiving the lowest payouts under the RSS. Based on the CPF Board's press release, about 112,000 members are expected to benefit from June 2023. But what is that proportion of beneficiaries by percentage of the total number of seniors receiving CPF payouts? And what is the range of monthly payouts that eligible Singaporeans now receive under the RSS or CPF LIFE?

With the rising prices today, is \$350 per month enough to sustain a decent standard of living? By way of comparison, the Full Retirement Sum of \$198,800 in 2023 is calculated based on the Household Expenditure Survey 2017/2018 and aims to provide a monthly payout of \$1,510 to \$1,620 for life.

I appreciate that there are other benefit schemes that less well-to-do seniors can turn to in order to supplement their CPF payouts. For example, through the payments under the Silver Support Scheme, ComCare and others. Seniors can even monetise their housing through schemes such as the Lease Buyback Scheme and the Silver Housing Bonus, by reselling any excessively long remaining leases on their HDB flat to the Government or by right-sizing to a smaller flat type in retirement.

But do we presently have the ability to collate the data showing the support that each senior is receiving across the various schemes and programmes administered by different Ministries and agencies? That will give us a fuller picture of our seniors' retirement adequacy and the gaps we should look to plug.

Finally, is there any room for dedicated "Retirement Planners" that can advise our lower- to middle-income Singaporeans on how they can plan and optimise their retirement income through the schemes they may be eligible for and improve their standard of living by doing so? I am cognisant that the CPF Board already offers such an exercise when members approach 55 years old, but my suggestion is to go a bit further and provide such advice at earlier milestones or stages in one's life.

This idea is not unlike the Jobs-Skills Integrators that has been announced to optimise training and job placement. Instead of bridging the industry, training providers and employers, the "Retirement Planners" will bridge the gap between our lower to middle-income Singaporeans, financial advisors and the different government agencies administering the schemes that are applicable to them.

Before I end, Mr Speaker, I would like to declare that I was a part of the CPF advisory panel which came up with the recommendations for changes in 2015 and 2016. Being on the panel opened my eyes on issues about CPF and the trade-offs to be made. The panel was guided by three key considerations and the need to achieve a reasonable balance between them: (i) adequacy, (ii) flexibility and (iii) simplicity.

So, I am mindful that as I talk about adequacy today, there needs to be reasonable balance across many other issues.

What I found was that the CPF system is fundamentally sound and has served Singaporeans well. The recommendations then and in the past has helped improve the CPF further by providing greater certainty and assurance to CPF members while providing the flexibility of more payout and withdrawal options in retirement to meet the varied needs of Singaporeans. But we must ensure that the CPF system continues to remain relevant for Singaporeans today and in the years to come given the changes in the economic dynamics globally and domestically.

There are a few things I would like to suggest before I end. One, as mentioned above, we need to enhance the efforts to help the segment of non-working women homemakers or caregivers get top ups by their husbands especially at age 55 when the decision needs to be made.

Second, the panel then had recommended that for providing flexibility for an additional CPF LIFE plan with escalating payouts. It is meant to provide an option for members who prefer CPF payouts that are initially lower but rise with time to help with increases in the cost of living. The additional CPF LIFE plan was to offer payouts that increase at a set percentage every year and the rate of increase of payouts was set at 2% for the escalating CPF LIFE plan. Hopefully all members in this Chamber know that there is an existing CPF LIFE plan that you can choose from.

My concern is that the long-term inflation rate for Singapore may have risen to slightly above 2%. I would like to suggest the Government consider an additional option of a CPF LIFE plan with payouts either at 3% or 4% per annum for those who would prefer to do so or revising the existing percentage for the escalating plan, based on a rigorous assessment of our longer-term inflation rate given the shifts in the global macroeconomic and supply chain as well as rising healthcare and climate-related changes. So, possibly 2.5% to 3%.

Mr Speaker, Sir, while fighting our immediate challenges, it is equally important for us to safeguard the long-term security of Singapore and Singaporeans. The ability of Singaporeans to take care of their own retirement will also prevent the buck from being passed to our children and future generations of Singaporeans. It is therefore central to our strategy in our future Budgets to renew ourselves as a country and to stay ahead of the world.

On that note, I support Budget 2023 which aims to address our longer-term future while providing transitory near-term support.

Mr Speaker: Ms Jessica Tan.

4.12 pm

Ms Jessica Tan Soon Neo (East Coast): Mr Speaker, many of my residents have shared that given the ongoing major global uncertainties and risks as well as inflation, the support measures announced in the Budget for inflation, cost-of-living and business costs are welcomed.

While providing the much-needed support to cushion the impact of inflation, I am glad that this year's Budget continues to give emphasis to the importance of growth, attracting high-quality investments and investing in growth sectors where Singapore can continue to differentiate and be competitive. One of my residents said when I met him at a recent house visit, "Regardless of support given by the Government, high costs will continue for some time. We need to also have a longer-term solution centred on growth."

Deputy Prime Minister Wong had said that, “Our best strategy to cope with inflation is to make ourselves more productive and competitive – so that our workers can earn more, and the increase in earnings can more than make up for the higher prices.” Growth does not automatically increase wages and Deputy Prime Minister Wong outlined the other key thrusts of this year’s Budget to equip our workers for good jobs and to strengthen our social compact to enable all Singaporeans regardless of their circumstances to move forward together in this new era.

In my speech, I will cover the following areas: one, opportunities and preparing Singaporeans so that they are able to get good jobs and aligning skills training with jobs; two, structure of work and support for workers who have caregiving roles to enable them to stay in the workforce; and three, some of measures in the Budget and their impact on Singaporeans.

Let me now talk about the opportunities. While there are opportunities, with the current economic conditions, disruptions as well as uncertainties, business will be required to adapt and to transform to stay relevant and competitive. New skills will be required and jobs will change. This will impact young graduates entering the workforce as well as workers already in the workforce.

Deputy Prime Minister Wong announced the Jobs-Skills Integrators, an interesting concept of intermediaries that will work with industry, training and employment facilitation partners to optimise training and job placements. Better aligning skills training to jobs will benefit not only our workers but more importantly ensure the right skills and workers for businesses. In our Government Parliamentary Committee (GPC)’s engagement with business leaders, a key challenge they highlighted is the difficulty in finding the right skills for roles, and this is impacting their operations and ability to take on opportunities and grow.

I wish to seek clarifications regarding the Jobs-Skills Integrators as the devil is in the details. From what has been shared by Deputy Prime Minister Wong in his speech, the Jobs-Skills Integrators are required to identify skills gaps, scope appropriate training programmes and identify the profile of individuals for training and upskilling to fill the required roles.

My questions are, how will the selection or appointment of the Jobs-Skills Integrators be done? Who or which organisations can qualify to take on the role of the Jobs-Skills Integrators? Apart from engaging enterprises and stakeholders to understand the manpower and skills gap in the sector, will there be support given to them? How will those who are seeking to enter the workforce, those who have been displaced or retrenched or those seeking a career transition engage with the Jobs-Skills Integrators? Will the scope of the Job-Skills Integrators include working with businesses to align career planning and training to upskill their employees to stay relevant as the businesses transform? How will the Job-Skills Integrators be funded? I know there are a lot of questions!

So, let me now talk a little about senior employability. With longer life expectancy and healthier longevity, a senior can continue to work productively and lead a meaningful life and seniors are a valuable pool of talent for businesses.

In November last year, I raised an Adjournment Motion on Senior Employability. I shared the feedback gathered from our PAP Senior Group (PAP.SG)’s efforts to reach out to hear the voices of seniors employed and unemployed, to understand their experience and the challenges they faced in finding employment. Our engagements both online and through focus group discussions, allowed us to examine the matter from the perspectives of seniors and stakeholders, such as employers, HR professionals, younger workers who work with seniors and organisations such as NUHS who work on active ageing initiatives.

All stakeholders agreed that it is not just the number of seniors being employed but the quality of the jobs and the work experience of seniors as well as seniors being able to fulfill the requirements of available jobs.

With inflation, businesses are facing increasing cost of doing business. I am glad that the Budget will provide additional support to employers to hire senior workers who wish to work with the extension of the Senior Employability Credit till 2025 and the Part-time Re-employment Grant till 2025. I would like to ask how many enterprises have taken up the Senior Employability Credit and Part-time Re-employment Grant? What roles are seniors employed for in these organisations?

In our engagements with seniors and with employers, a key challenge that the employers and seniors highlighted was training and re-skilling of seniors for suitable jobs. It is heartening to know that the pilot for the Jobs-Skills Integrators will be in sectors that have higher concentration of matured workers. The learnings from the pilot on training and reskilling of seniors to the jobs in the pilot will be helpful in providing insights to improve the structure and delivery of training of seniors and better align the training to jobs for seniors in other sectors in future.

As job-skills integration is implemented, we should take the insights to help with the understanding of what structural intervention is required to make learning as systemic for workers in the workplace as it is for the young in formal education. There should be multiple routes connecting the roles, opportunities and commitments of individuals throughout their adult lives. We need to understand and support individuals to learn, work and age well throughout their lives, that fit their life stages and their abilities. If we are able to do this, it will grow a strong talent base and capabilities for businesses and provide fulfilling careers for workers.

Let me now touch on the structure of work and support for workers who are caregivers. Budget 2023 outlined the importance of the family as the foundation of our society and enabling a Singapore Made for Families. The Budget sets out support for young Singaporeans to meet their housing aspirations and significantly increasing financial support for parents in the child’s early years as well as an increase in paternity leave. These measures are welcome.

With an ageing population and people living longer, families are multi-generational and caregiving needs will increase. With smaller families, some families need to care for both the young and seniors. While the Budget provides support for seniors, the enhancement to the care and support options for seniors in the community is still under study as part of the Forward Singapore exercise. The "infrastructure" and services as well as resources and capabilities to support seniors to age well in the community need to be increased especially as our population is ageing rapidly.

Without such support, those providing caregiving will find it difficult to manage employment and caregiving responsibilities. Just as working parents seek quality childcare for their children, families with seniors also require centres that provide not only care for our seniors but also keep them meaningfully engaged.

We are fortunate that in my constituency that we have service providers and centres that give quality care and have meaningful programmes to engage and help our seniors stay active. But there is need for more. The programmes are well attended and there is a waiting list for a place at the senior care centre. Seniors and their families share with me the value that these programmes provide and the services contribute to the well-being of the seniors as well as their families.

A point I wish to highlight and I hope that Deputy Prime Minister Wong would consider is the affordability of eldercare services for families that qualify for only a small amount of subsidies or do not qualify for any subsidies for eldercare services. While we must provide lower-income families with more help, we need to also look at how we support Singaporean families to care for their seniors just as we support all Singaporean families to care for their young children as announced in this Budget without means testing. The cost of eldercare services is not insignificant. Without subsidies, day care services can cost from \$940 to \$1,430 per month. Dementia care services range from \$1,260 to \$1,575 per month. I took these numbers from the AIC portal. For families that have both young children and seniors to care for, these expenses can put a strain on finances.

As we plan for funding and support to increase the capacity and capability for quality senior care and services in the community, I do hope that access and affordability of quality and appropriate care for seniors in the community is not focused only on the lower-income. This is not only for the well-being of seniors but is important support for families and Singapore to enable our seniors to age well in the community.

During my dialogue on the Budget last weekend with residents and feedback received when I visited residents, several highlighted the importance of work or organisational culture that understand and supports parenting and caregiving. Having financial support, work arrangements and policies that support parenting and caregiving are important. But this must be complemented with a work culture that empowers and fosters an environment of mutual trust amongst employers and workers, and between workers.

Finally, let me touch on two measures of the Budget and the impact these have on some of our residents.

CPF wage ceiling increase from \$6,000 to \$8,000. The rise in CPF monthly income ceiling from \$6,000 to \$8,000 by 2026 will mean that employees will get more from their employers. This will help middle-income earners earning more than \$6,000 per month as their employers will now contribute more to your CPF which will increase their retirement savings.

However, my resident shared with me that this does affect his monthly take home pay as he will have to contribute to this as well. My residents did share that while the employees benefit in growing their retirement savings, in a time of pressing and increasing inflation, we must recognise that this results in less cash for their monthly spending. I just wanted to share the feedback on the impact in a time of inflation now.

The other measure is the Working Mothers Child Relief (WMCR), which I think many have spoken on. The change to a fixed dollar for WMCR will mean that working mothers will claim the same amount of tax relief for a child in the same child order. The intent of the change will enable lower- to middle-income working mothers to get more tax relief.

The WMCR tax relief is to encourage women to continue working after they are married and have given birth to or adopted children. The feedback I have received is that, and this is not just with the change, but over the years, when this was in place, many working mothers share with me that this tax relief does mean quite a bit to them. Just taking a rough back of the envelope calculation, this would mean that the working mothers who are earning more, around \$4,500 a month, or \$54,000 per year, will get significantly lower tax relief compared to the current system. If the intent is to encourage and support working mothers to continue working after they have children, the appeal is to allow a hybrid approach of the new fixed WMCR amount for those earning less than \$54,000 a year and the working mothers who have children after 1 January 2024 to continue to stay on this current system of using a percentage of earned income as there is already a \$80,000 cap on the amount of personal income tax relief an individual can claim.

In conclusion, Mr Speaker, Budget 2023 outlines the principles of how we will move forward together in this new era. We are setting our ambition to continue to grow and to enable opportunity for all. In our new social compact, we are appealing for all to do their part, and for those who have more to give more, while we ensure that we give support to those who need help. This will enable those who are doing well to continue to do well, and for all to have the opportunity to succeed and do better for themselves and their families. Mr Speaker, I support Budget 2023.

Mr Speaker: Mr Raj Joshua Thomas.

Mr Raj Joshua Thomas (Nominated Member): Sir, I declare my interest as the president of a trade association, the Security Association Singapore. I also declare, Sir, my speech today will be heavily informed by my experience as a trade association president. I will be speaking on strengthening tripartism as a pillar of economic resilience in the new era.

Sir, in his Budget Statement, the hon Deputy Prime Minister and Minister for Finance outlined not only the Government's spending priorities for the coming year, but also elaborated on the larger economic and geopolitical environment that we are entering into. As a global city that built our fortune on trade, Singapore is particularly susceptible to global and regional developments.

The hon Deputy Prime Minister's observations include that we have now entered into an era of zero-sum thinking with countries turning inward, looking at national gain and security rather than inter-dependence. Importantly, the hon Deputy Prime Minister observed that this is a system that is less hospitable to small, and may I add outward-oriented, economies like Singapore and that we thus cannot assume that we will continue to be successful by simply doing the things we had in the past. We therefore need to build our national resilience on several fronts.

But with regard to positioning our economy and businesses, this process had in fact started much earlier. Industry Transformation Maps had been introduced in 2016 covering 23 industries to look at what these industries needed to do to promote growth, remain competitive and seize future opportunities. Several years have passed since then and the ITMs are now going through a review, and the refreshed ITMs that take into consideration current realities are being launched. For example, the hon Deputy Prime Minister Heng Swee Keat had launched the refreshed ITM for five advanced manufacturing and trade clusters, that has as its aim uplifting companies and creating at least 13,400 new jobs in October last year.

In my view, the most important characteristic of the ITMs is something that has underpinned Singapore's economic success and labour relations for decades. This is our unique tripartism: Government, labour and business at the same table, trashing things out and coming to mutually-satisfactory policies and plans for the good of each industry and its workers.

As a trade association president, I have been involved in the process. And the process works but it works best only insofar as parties come to the table understanding that this is an exercise in negotiation. In the words of Mr Lim Swee Say, its objective is to achieve harmony, not just compromise. Sometimes, interests align completely and it is easy to come to a landing point. Most of the time there are protracted negotiations, seeking to reconcile polar positions. But it is precisely because each party has its own way of looking at things and its own considerations – all of course legitimate – that this tripartite process has its value.

To me, our tripartism is a pillar of economic resilience and it is a force that will position us well in the new era. How can we strengthen this? I would like to make some observations and suggestions.

First, we should strengthen sectoral trade association involvement on tripartite platforms, even as we have the Singapore National Employer's Federation (SNEF) as the overall key tripartite partner representing businesses.

Part of the ITM Refresh has been the move to cluster industries that are part of a broader industry sector and/or that have synergies with each other. There are seven clusters. I think this is an excellent development with regard to the ITMs because it will encourage pollination across industries, that can result in higher productivity and new business opportunities.

I would like to share a personal experience that I had as regards tripartite representation. The security industry comes under the Built Environment Cluster. Curiously, when a major committee for this cluster was convened, my association, the Security Association Singapore (SAS), the lead trade association for the security sector, was invited to attend not as a member but merely as an observer. A SNEF representative was appointed, instead, to represent our industry, together with a Government official.

In other words, our intended role was not to participate, but to merely to spectate. We found this very odd. So, we wrote in a strongly-worded letter to try to understand why the composition of the committee was as such. After some ding-donging, we were granted a seat at the table.

This, Sir, is not a matter of just being FOMO, or Fear of Missing Out. Okay, maybe it was partly so. But of course, we would not want to miss out on the opportunity to get our industry involved in the larger transformation effort and to represent our industry because we are well-placed to do so. But why did we have to fight for this seat in the first place when we are the lead trade association in our sector?

SNEF, Sir, is the key tripartite partner at the national level, representing employers and businesses. But the sectoral trade associations have our ear on the ground and know the unique situations that our businesses face. In this regard, where there are sectoral issues to be discussed under a tripartite framework, SNEF should not replace the sectoral trade association and must not be seen by Government bodies as being able to speak on behalf of individual industries.

This is especially so when we look at clustering where we now have many industries at the table and some industries may have an adverse position, vis-à-vis other industries. And this is not hypothetical. This is something that that has actually happened. In such circumstance, where will SNEF stand? Can SNEF truly be an advocate for several industries on the same table?

I confess that I do not know if SAS' experience is widespread or common or whether we are a unique case. But writ large, our tripartism will be strengthened if we include the sectoral trade associations as real partners with real participation at the table.

Separately, given how ubiquitous SNEF is, I think that SNEF has more engagement with the sectoral trade associations in order to be an effective tripartite partner. This is something that I will take up with SNEF directly. On the Government's part, it should expect this of its tripartite partner and should query when SNEF makes representations on behalf of specific industries as to whether it had consulted with the relevant trade associations.

Sir, let me just assure everyone that I do not have anything against SNEF. In fact, SAS is a member of SNEF and SNEF plays a very important role. But I do have a question as to whether SBF could also play a great role in the tripartite process.

But of course, to sit at the seat, to sit at the table, does not mean that one just becomes happy about it and twiddles their thumbs.

So, I am happy to report, Sir, that as regards SAS' involvement, we are very active. And we are working very closely with the hon Senior Minister of State Tan Kiat How and with our sister trade associations in the facility management sector to achieve, amongst other things, the elusive integrated and aggregated facility management. We are developing an online outcome-based tender generator that can be used by all the industries in the sector. We are cognisant that our seat was granted on request, not ex-officio. So, we take it upon ourselves therefore to show why we deserve to sit at the table and we will earn our seat with our effort.

Sir, even as I call for the sectoral trade associations to have a seat at the table, the reality is that most trade associations have very limited resources, relying primarily on membership dues as their source of revenue. The Government already has a very excellent Local Enterprise and Association Development (LEAD) Programme that funds projects undertaken by trade associations and chambers (TACs), that have certain objectives. Funding is higher if the project involves more than one TAC, which I think is a very good arrangement because it encourages TACs to work together to enjoy economies of scale and to ensure a larger reach for each project.

However, the funding available is typically on a project basis. I would like to suggest that the Government consider rolling out more organic support, in particular, for secretariat headcount. A TAC, Sir, is only as good as its secretariat, simply because the executive committee members are all running their own businesses and their involvement in the TAC is essentially a co-curricular activity (CCA).

Of course, this support should not be as of right – one way to administer such support would be to ask TACs to submit their plans for the coming year and how these would meet certain objectives and their funding plan, and then, it would be for the administering authority to decide based on these submissions the headcount it would support, if any. Such a scheme could be dovetailed with other workforce priorities, for example, extending the headcount support grant to only mature workers.

TACs could also be strengthened by the Government appointing them as programme partners to administer certain schemes or grants. One such possible programme could be the Jobs-Skills Integrators initiative announced in this Budget. In fact, Sir, I have instructed my own secretariat to look into how we could possibly play that role regardless of Government funding because I do see much value in this function. This, of course again, should be offered only to trusted TACs that the Government has confidence in, in terms of being able to deliver as programme partner. If we are able to support more secretariat-capability initiatives and funding, then we are more likely to see more TACs that will be able to step up to play this partnership role.

This having been said, I am also cognisant that we do not want TACs to be overly dependent on Government funding. Amongst other things, this could call into question their independence as tripartite partners. As such, TACs should also look at how to diversify their sources of revenue so that they are able to independently build their secretariat's capabilities and stand on their own feet. Government funding, if made available, should only be seen as a catalyst and not a crutch.

Third, Sir, I would like to suggest allowing TAC involvement in employment dispute resolution processes where appropriate. This is in particular because of the changing nature of the employer-employee relationship and the fact that many businesses are in the process of transforming, and where the manner of transformation is unique to each industry.

Businesses are trying their best to deal with a challenging environment, but importantly, many businesses are also trying to transform. This transformation invariably affects their workers: how they employ them, on what terms and how or whether to maintain their employment. A recent case in point was that of a security agency being called out by the NTUC for "egregious behaviour". The agency had sought to increase the working hours of its staff with a concomitant increase in salary. It had prior to this sought to demote some of its officers, based on the Security Officer PWM ranks, which, according to the agency, was in order to right-size its workforce.

Sir, it is quite apparent that many businesses are right-sizing to deal with current realities. This is also to be expected as we continue to push for industry transformation, greater productivity and job re-design. Some industries will feel this more acutely, like the tech and manufacturing industries, but also the PWM sectors because wage increases are artificially created by Government policies – artificially but necessarily created by Government policies, let me add. Businesses must be nimble and flexible to be able to deal with these changing externalities.

So, when I looked at the incident involving the security agency, my first reaction was: okay, maybe forcing a change in employment terms may not have been the best approach, but at least the agency is trying to retain its workers. This is surely preferable to simply firing all of them in a retrenchment exercise. Further to that, the agency was also taking proactive steps to prepare for a very significant change to the security PWM coming up next year – a change that is precisely designed to allow more flexibility for employers and employees to negotiate working hours. So, my first impression, of course, was that it was the correct intention, the correct objectives, but perhaps not the best execution. But execution, of course, can be adjusted and can be changed to become kosher.

On the other hand, it is trite that employment terms should be varied by mutual agreement and should not be forced on employees. In this regard, I can understand NTUC's position – surely if there is an arising possibility of a forced demotion or increase in working hours of a large number of workers, the union must jump, as it did. And the NTUC was actually very kind in that it raised the issue but did not name the company. The company outed itself.

However, as quickly as this came out in public, it fizzled out in the news as quickly leaving many in the industry somewhat bedazzled and confused as to what actually happened. Business owners in the sector are now worried that the very industry transformation we had encouraged them to embark on, the very flexibility that we had told them would arise from the changes in the PWM in 2024, which would necessitate new types of employment contracts and new types of employment relationships, could now get them in trouble.

The matter has now gone to MOM conciliation. This, in fact, is hot off the press – it is just from, I think, maybe two or so hours ago, an announcement, a statement from the Union of Security Employees and the company involved. It said that conciliation had resulted in a positive outcome and that the union understands it was the intent to right-size its workforce and to recognise the management's efforts to do so fairly. This definitely is a good outcome, but we are still left with many questions.

Business owners have come to me. I do not have the details either. But the question still continues to be out there as to whether there were forced demotions, or whether there were not. What was the result of the conciliation? Of course, conciliation is confidential. Whether these demotions allowed under the PWM? Whether there were increases in working hours; and again, were these allowed?

So, we have to find some ways, Sir, to harmonise the public messaging to businesses so that while they are engaged in the process of transformation, of changing how their business operates, they are not getting mixed messages and they can figure out how they can move forward.

My other suggestion, Sir, is, for precisely these types of dispute resolution, whether we could introduce a mechanism in which TAC representatives could be invited, where appropriate, as experts, to explain the situation in the industry or to perhaps provide more context and hue, to what are the considerations of companies in that sector. This will ensure that a cookie-cutter approach is not adopted in adjudicating employment disputes in the first instance. These experts are not supposed to advocate on behalf of the company, but to give industry-specific insights to the adjudicator and to the party on the other side. Courts frequently allow for expert evidence and there are many cases in which judges have expressed, in their written grounds, appreciation for the expert's insights into the particular matter. For the avoidance of doubt, my suggestion extends to conciliation, mediation and other forms of alternative dispute resolution, and only where deemed appropriate and useful by the adjudicator. My suggestion does not extend to the Employment Claims Tribunal.

Another way to deal with such disputes is for the union to get the sectoral trade association involved from the very start, of course informally. This would be especially effective if the offending company is a member of that trade association. Where there are errant practices, it is often easier for a peer to point it out and to encourage one to do the right thing. This builds and leverages on the existing tripartite relationship and can help to defuse tensions before parties start taking adversarial positions. Of course, if the offending company still does not take the necessary corrective actions to the union and the employee's satisfaction, then there are procedures and processes that the aggrieved party can avail of.

As our industries transform, more of such cases will arise. It is the union's duty and I know that it is one that it takes very seriously, to protect workers and to champion their rights. And of course, this is very important, and upcoming legislation like the fair consideration law will ensure further protection for our workers. But at the same time, we do not want to stifle industry transformation or to give mixed messages that would be counterproductive to the efforts of the ITMs.

In conclusion, Sir, the Budget seeks to ensure Singapore's continued economic success by strengthening our businesses and equipping our workers. The Budget Statement has also set out a very realistic assessment of the rapidly changing external environment in the new era and the urgency with which we need to build our resilience to deal with it.

Tripartism is a key pillar of our economic and social resilience. I have made some suggestions as to how we can strengthen our tripartism and how we can get trade associations involved in a bigger way. With businesses and unions working together, with the leadership of an actively involved Government and Government agencies, I am confident that we will be able to meet the headwinds coming our way with confidence, and that Singapore will thrive in the new era. Sir, I support the Budget. *[Applause.]*

Mr Speaker: Ms Ng Ling Ling.

4.44 pm

Ms Ng Ling Ling (Ang Mo Kio): Mr Speaker, Sir, I would first like to declare my role in leading environmental, social and governance (ESG) efforts in an investment company.

Sir, Budget 2023, with its focus on supporting Singapore and Singaporeans to progress with confidence in a more uncertain world, sets the stage for our next phase of growth after battling almost three years of COVID-19 pandemic.

Last year, I rose to speak on three areas in my Budget Debate speech to urge stronger efforts by our Government to ensure: one, social mobility amidst COVID-19, economic restructuring and digitalisation; two, managing long-term healthcare needs; and three, fulfilling the housing aspirations of our younger generation. I want to thank all Government officers and stakeholders for the contributions you have made, in making progress on all these fronts in the past year.

For this year's Budget, I would like to continue focusing my speech on considerations and support for our working adults, our seniors, our young couples and families.

First, supporting our working adults. In my Jalan Kayu constituency, the largest segment of residents is aged between 20 and 60 years. This phase of life covers most of our productive work years, from getting our first job to staying gainfully employed over the decades and hopefully looking forward to retirement with confidence and comfort. Yet, we know that the realities in this age range is far from easy going, especially in a world of high global competition, slowing social mobility and prolonged ageing population.

While I was delighted to read the recent Straits Times article on 21 February 2023 that more fresh university graduates in full-time permanent roles – comprising 87.5% of the cohort – have gotten higher pay, I wonder about the 6.3% who are in freelance or part-time or temporary employment and the 3.6% who remained unemployed and are still looking for a job.

For these unemployed or under-employed graduates, while the proportion is small, the question is if their progression would inevitably be pushed behind their peers.

What about the non-graduates who completed their highest education in polytechnic or ITE? How is the Government monitoring the cohort progression and targeting assistance to provide levelling up opportunities at milestone stages of their early work life?

I like that the National Productivity Fund will be topped up substantially by \$4 billion with an expanded scope to support investment promotion, besides productivity enhancements and continuing education and training. I would like to understand how the Government is monitoring that these funding translates to better and more innovative jobs for our young people?

Census 2020 showed that our old-age dependency ratio has increased from 13.5% in 2010 to 23.4% in 2020. I do not have to belabour the well-known projection that we will have one in four Singaporeans over 65 years old by 2030.

Maximising the potential and progression of every cohort of our young Singaporeans graduating from universities, polytechnics or ITEs from now on, is ever more pressing to help them manage the burden that they will carry as our population continues to age. We must constantly mitigate against the risks of Singapore's economic dynamism and competitiveness with a potentially shrinking pool of working adults.

In this aspect, do we have a systematic tracking of the growth of local companies under the \$1 billion Singapore Global Enterprises initiative or the additional \$150 million SME Co-Investment Fund, especially for the number of SMEs levelling up consistently across the years to be on track to become large local enterprises with annual group company revenue exceeding \$100 million and with regional or even global footprints?

SMEs make up a significant portion of the total number of enterprises in Singapore, at about 99% of all enterprises and supporting 71% of total employment in 2021.

May I suggest that the Government consider publishing more systematic reports on medium-sized enterprises and large local enterprises and the percentage of local employment they are providing to inspire more local enterprises to punch above their weight and grow beyond being a small or medium enterprise.

As working adults enter their mid-lives in their forties and fifties, I am assured that attention continues to be given to help them keep pace with changes and stay employed. I look forward to the implementation of the new Jobs-Skills Integrators initiative, especially on the data on how the new effort is improving the job and skill matches of mature workers to help them remain employable.

The efforts for more vulnerable groups, including low-wage workers, seniors wishing to continue work, ex-offenders and persons with disabilities, are also important to ensure an inclusive workforce. I will speak more about employment for persons with disabilities in my Committee of Supply cuts.

Now, let me move to the next group, to another important group of Singaporeans – our seniors.

In my Jalan Kayu constituency, they make up about 22% of our residents if we count above 60 years old but a lower 8% if we count above 70 years old. This presents opportunities for us to promote preventive health and chronic disease awareness and management actively in my constituency, to help our residents take charge of their health from their early senior years.

Therefore, I keenly look forward to the rollout of the Healthier SG later this year, which I spoke in support of during the White Paper debate and will speak more about during my Committee of Supply cuts.

Our grassroots leaders proactively piloted our first Jalan Kayu Community Health Club (JKCHC) in February to begin to connect the ecosystem of regional health partners, family doctors, social and sports agencies as well as community groups to complement the national Healthier SG rollout at our local level.

However, even as we step up efforts to manage our own health better as we age, there will always be a segment of more vulnerable seniors who need more help. Many of our seniors who seek assistance at my Meet-the-People Sessions often share their concerns of rising healthcare costs and their working adult children feel the pressure of supporting them while bringing up their own children.

I thus look forward to more details on the Government's plan to top up an additional \$500 million for ElderCare Fund and \$1.5 billion to MediFund to help lower-income seniors with their long-term healthcare needs.

With the current elevated inflation, we need to continue to assure a common seniors' concern of "money not enough" when they no longer have active recurring employment income. The slew of support under the permanent GST voucher scheme and enhanced Assurance Package is most welcomed.

However, there must continue to be considerations for also non-monetary support such as the expansion of Active Ageing Centres, Senior Day Care Centres and Dementia Day Care Centres across Singapore. We must not stop at just estates with higher concentration of lower-income seniors but care for seniors living also in private estates who may be seemingly asset rich but are genuinely cash poor.

In the older landed private estates like Seletar Hills in my constituency, I often come across residents in their retirement who have purchased their houses decades ago when the prices were way below the current market prices. Many understandably stay on because of the familiarity of the environment. They too need eldercare support funded by the Government. I will speak more about this during my Committee of Supply cuts.

Lastly, supporting our young people, young couples and families.

I resonate with the aspirations of our young people, couples and families because I was also young once. I would like to speak about supporting them to help them build an even brighter future in Singapore.

We dedicated last year as "The Year of Celebrating SG Families" and there were many discussions on strengthening support for our young couples and families.

I am glad that the Government will be doing more by increasing the CPF Housing Grant by \$30,000 for eligible first-time families purchasing 4-room or smaller resale flats and by \$10,000 more for those purchasing 5-room or larger flats.

In helping with the costs of having and raising children, I hope that initiatives such as the increase of Baby Bonus Cash Gift by \$3,000 for all eligible Singaporean children and increase in contributions to the Child Development Account to offset preschool and healthcare expenses as well as support for more flexible work arrangements will have some effect in reversing our stubbornly low total fertility rate.

However, I would like to go more upstream and suggest that the Government enable more resources to enable social interactions among our young people.

According to the Marriage and Parenthood Survey 2021, 80% of young single respondents in that survey indicated that they intend to get married but only 50% of them are dating. Of the other 50% who are not dating, 38% of those said that they have not dated before. Fifty-eight percent of them expressed having a limited social circle and 57% of them said that they do not have many opportunities to meet potential partners.

Although there has been a growing acceptance for online dating methods, most individuals still prefer meeting potential partners through more organic and face-to-face meetings – 80% of them, through that survey.

A more local community approach may be a suitable alternative for the Government to consider to encourage more organic social mingling.

As this is a Budget that prepares Singaporeans for the future era, I hope that the Government will be open to investing money to help singles to expand their social circle and actively encourage our singles to mingle.

Mr Speaker, please allow me to say some words in Mandarin.

(In Mandarin): [Please refer to [Vernacular Speech](#).] Mr Speaker, Singapore faces a complex and challenging external environment now and in the next few years. Hence, the "Moving forward in a new-era" Budget will help Singaporeans tide over the rising cost of living, look forward to and prepare for future economic opportunities. I support this initiative.

The biggest impact on Singaporeans is the rising cost of living and the future outlook. I will focus on how the Budget can help Singaporeans, including senior citizens, families and workers, and provide feedback and suggestions on the Budget.

First, for the elderly, they want to spend their golden years with a healthy body and a positive mind. To help seniors stay healthy, the Government has introduced the Healthier SG programme. In Jalan Kayu, our grassroots organisations have responded by setting up a new health club to help residents maintain good health through participating in a series of club activities.

Hence, I strongly support the suite of assistance measures for the elderly in the Budget, such as extending the Senior Employment Credit, increasing the minimum monthly payout under the Retirement Sum Scheme as well as additional ElderCare Fund and MediFund to help seniors cope with long-term medical care expenses.

In addition, as we move into a new era, I hope the Government will also pay attention to palliative care and allow palliative care to go into the community to meet the needs of an ageing population.

Second, for families, the assistance proposed in the Budget such as increasing CPF Housing Grant, Baby Support Grant and topping up of Baby Bonus Cash Gift and the Child Development Account will help ease some of the worries that young couples have about starting a family and having children.

I also hope that the Government will strengthen the support for singles who wish to end singlehood, and increase their social networking opportunities, so that they can find suitable partners.

Third, for employees, job security is their biggest concern. In recent months, several multinational companies (MNCs) that operate in Singapore such as Google and Twitter have begun to retrench workers. Besides attracting MNCs, grooming local companies is important too. Hence, I support the series of initiatives in this year's Budget that focuses on supporting local SMEs to invest in innovative projects and sectors to help them expand their businesses and venture abroad. Through this, they can provide more attractive jobs to Singaporeans.

The Government will also step up efforts to help workers upgrade and renew their skills. I hope that in the next few years, the Government will let the Parliament know how effective these schemes are in helping Singaporeans secure good jobs.

I think helping promising SMEs expand and allow their employees to be trained continually will help Singaporeans secure better job opportunities. Therefore, I support this year's Budget.

(In English) Back to English, please. Mr Speaker, Budget 2023 shows the Government's commitment towards long-term economic planning amidst short-term inflationary pressures and weak economic growth projections.

As we mark the 100th year of the birth of Mr Lee Kuan Yew, let us remember the values and foresights that our forefathers have in overcoming adversity and challenges to define and unite a nation. May we continue to carry on this strength and resilience as we move forward into a new era, shaping a brighter future for Singapore and Singaporeans together. On this note, Speaker, I support Budget 2023.

Mr Speaker: Order. I propose to take a break now. I suspend the Sitting and will take the Chair at 5.20 pm.

Sitting accordingly suspended

at 5.00 pm until 5.20 pm.

Sitting resumed at 5.20 pm.

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

DEBATE ON ANNUAL BUDGET STATEMENT

Debate resumed.

Mr Sharael Taha (Pasir Ris-Punggol): Thank you, Mr Deputy Speaker, Sir. In Pasir Ris, we have frequent dialogues and engagements with our residents both formal and informally. During these engagements, issues that weigh heavily on the minds of our residents which they shared are: firstly cost of living; secondly, challenges brought about by our ageing population; thirdly, housing affordability and availability, especially for our young first-time buyers, which we have debated on significantly in the last Sitting; and lastly, jobs, employability and work-life balance.

While individuals feel the pressure from these issues, in my conversations with associations and those in the industry, businesses both here and abroad, are worried about the rising costs of doing business in Singapore and if Singapore can continue to have and provide the competitive edge in the global market.

I would like to quote Deputy Prime Minister Wong in the forward of the Budget booklet: "As a small country in a globally uncertain environment, the road ahead will not be easy. But we are on this journey together, and we can draw confidence and strength from how we have overcome past challenges."

"The road ahead is not easy" – and that is true. Our tight labour market and ageing population will have to contend with high inflationary global environment, the deeply concerning war in Ukraine, Sino-American relations, Protectionist practices and other grim macro-economic challenges.

However, we have shown that for the past three years, regardless of how challenging the journey is, we are better off coming together, working together to come up with viable pragmatic solutions able to meet the immediate needs of our society while positioning ourselves favourably for our future. Hence, I am glad that Budget 2023 has elements that attempts to address the challenges and issues that weigh heavily on everyone's minds, while working within the constraints of our limited resource, with tweaks to make our tax system fairer, more progressive and sustainable.

If the Budget addresses the right issues, then it becomes a question of whether we have prioritised and apportioned enough within our limited resources to address the challenges that we have been identified both immediate and in the future and is the resource efficiently deployed through policies such that it achieves the collective social goal that we as a nation desires.

It is through that lens that I will touch on four key themes: Firstly, the adequacy of the support for the current inflationary and cost of living pressures. Secondly, from a business perspective, in light of all the cost challenges such as increased payroll cost, impending carbon tax, BEPS 2.0 implementation, how do we continue to attract investments and grow our economy? Thirdly, as we grow our economy, how do we ensure our workforce remains competitive to bridge the skills gap to alleviate structural unemployment and channel workers into jobs and industries that are growing and transforming? And lastly, while we remain competitive in the global market, how do we realize our desire to have inclusive growth, in particular, providing meaningful employment for our seniors, part-time workers and persons with disability.

Allow me to begin with the adequacy of the support for the current inflationary and cost of living pressures. We have weathered periods of high inflation before. However, unlike those times, the current persistent inflation felt globally is fuelled with a tight labour market within Singapore.

Hence, I welcome the enhancements to the permanent GSTV scheme and Assurance package to cushion the impact of our much-needed GST increase so that we can maintain our commitments to fund impending healthcare spending and the one-off support measures to address the immediate cost-of-living challenges.

I am encouraged to see how support schemes are disbursed such that everyone – not just the less well-off – but everyone, receives something regardless of income, like the CDC vouchers. While those without income and lower to middle-income receive more, like the GST vouchers, cash payouts, S&CC and U-save rebates. This is consistent with our values as a society and reinforces it with action where collectively as a society we support each other and the less well-off should receive more.

I am supportive of tiding the current Cost-of-living challenges with one-off schemes such as the Cost-of-living special payment of \$200 to \$400, Seniors Bonus of \$200 to \$300, doubling of U-save rebates and CDA top up. These one-off support measures are well suited to deal with these exceptional past three years. The pandemic, inflation, tight labour market and geopolitical instability were amongst the many challenges we had to surmount. However, I worry that such levels of support if perceived as the norm in the future, may not be sustainable.

The enhancement to the assurance package, both the one-off and the earlier versions will cost \$3 billion and hence increases the total amount of the package from \$6.6 billion to \$9.6 billion which is more than the budget for Ministry of National Development (MND), or Ministry of Social and Family Development (MSF) and Ministry of Sustainability and the Environment (MSE) or MSE, Ministry of Culture, Community and Youth (MCCY), Ministry of Manpower (MOM) and Ministry of Communications and Information (MCI) combined! Hence, I believe that while this is necessary in the current environment, this is something we must closely monitor in future budgets and carefully calibrate the amount and qualifying conditions when the situation changes so as to avoid entrenching the sense of reliance on Government support as it is not fiscally sustainable in the long term.

Given that the inflation levels are here to stay, how do we then beat the inflation without Government support? The rising cost needs to be overcome by generating value and increasing productivity. Which brings me to my second point. The costs of doing business in Singapore is continuously rising. This is partly due to the rising costs of labour attributed to the tight labour market, aspirations of our workforce for annual pay increments and our collective desire to pay our lower-waged workers better. Our strong currency also means Singapore-based businesses are finding it harder to compete through cost in the global market.

Furthermore, additional headwinds such as the impending increase in carbon tax and the implementation of Base Erosion and Profit Sharing (BEPS 2.0) initiative will add even more costs to doing business in Singapore.

While businesses in Singapore face these cost pressures, the US and other countries are rolling out aggressive tax breaks and subsidies to attract investments, such as the CHIPS and Science Act in US, to build up their industries and revitalise their domestic manufacturing, competing with Singapore in attracting more investments. Tax equalisation in BEPS 2.0 also implies we have one less instrument to attract investments into Singapore.

In my earlier speech in November on the GST Amendment Bill, I challenged some of the members' perception that BEPS 2.0 alone can make up the "hole left behind by not raising GST". I mentioned that because of the headwinds on cost, we will have to do something and spend on non-tax incentives such as training, subsidies and grants to restore and enhance our business competitiveness to continue to attract foreign investment while we lose preferential tax rates as one of our competitive levers. And this results in the nett income from implementing BEPS 2.0 to remain uncertain but likely it would not be a straight-through revenue as some may have previously assumed.

While EDB attracted a record high of \$22.5 billion Fixed Asset Investment (FAI) commitments in 2022, which brings about good well-paying jobs into Singapore, with the headwinds and increasing competition, how can we create more non-tax incentives to enhance our business competitiveness to continue to attract foreign investment?

Hence, I am encouraged to hear that the National Productivity Fund will be topped up with \$4 billion and the scope will be expanded to include investment promotion as a supporting activity. What mix of industries will we be focusing on for investment promotion to create the optimal value and leverages on our current infrastructure and workforce that we already have? How do we ensure that funds are effectively used to drive real productivity improvements that will help lower costs of doing business in Singapore? What will be the measure of success for the National Productivity Fund?

As we bolster the National Productivity Fund to compete globally for more quality investments, we must also prepare our workforce for the needs of the future economy. Addressing our skills mismatch to alleviate structural unemployment will be one of our key challenges and this is a concern in the industry.

While we unanimously agree that upskilling and retraining will be critical to our future success, the challenge is, how do we upskill? In each of the industry, what are the skills and knowledge that is necessary to bridge the gap? Where do workers go to gain these skills and knowledge?

The industry transformation map (ITM) provides a high-level overview of what are the skills that are required in the industry. However, when it comes to applying it on the ground, businesses and workers are simply overwhelmed. Workers are overwhelmed by what skills to learn to find better jobs or be better at their jobs. Employers are overwhelmed by the types of training and support packages that are available and the quality of training providers.

A Straits Times article mentioned that there are more than 26,000 courses available on the MySkillsFuture portal and this does not include all the other platforms that provide both offline and online skills training, such as Udemy. Finding the right source to train for the right skillset to bridge the skills gap to drive a real improvement to the business is an outright challenge.

In my earlier speech in January on the SkillsFuture (Amendment) Bill, I had mentioned that the training landscape is confusing. There is the SSG website, SkillsFuture website, MySkillsFuture portal, SSG-WSG portal, just to name a few. I asked whether this landscape can be consolidated into a worker-centric portal like "Support-Go-Where" which then provides the comprehensive support for the business and worker.

Hence, I am glad to hear that we will be piloting the Job-Skills Integrators in a few industries to be intermediaries who can work with industry, training, employment and facilitation partners to optimise training and job placement. I do hope these integrators, as its name implies, bring together all the schemes, courses and stakeholders to simplify and execute rather than creating more schemes and programmes to add to the already confusing landscape. This is something that I will touch more in the subsequent Committee of Supply (COS) cuts.

Similar to the PWM roll-out too, how long will the pilot in the Precision Engineering, Retail and Wholesale Trade sectors take and what will be the expected pace of roll-out to the other industries once the pilot industries are completed? How can we also increase the participation rate of eligible Singaporean utilising SkillsFuture to significantly more than 30%?

And as we provide support to transform and upskill our current workers, we need to stay committed towards inclusive growth. We must provide opportunities and unlock potential through meaningful re-employment for our seniors, part-time workers and workers with disability especially in sectors and roles facing labour shortages. Key to this is our societal approach, or adopting a societal approach towards flexible work arrangements which can take the form of flexi-time, flexi-place and flexi-load. What is the progress of the Tripartite Guideline on flexible work arrangements? How can flexible work arrangements, together with job redesign, unlock employment opportunities for seniors, persons with disabilities, part-time workers and caregivers? For example, call centre operators or helpdesk providers can be done remotely via flexible work arrangements and this can create opportunities for such individuals.

Or can our seniors be funded to be trained as trainers to impart their knowledge to the industry?

With the extension of Senior Employment Credit, Part-Time Employment Grant and introducing uplifting employment credit for ex-offenders, what is the measure of success for these schemes? How do we ensure that these fundings translate to actual improvement in employment opportunities for our seniors, part-time workers and persons with disabilities? Mr Deputy Speaker, in Malay, please.

(In Malay): [Please refer to [Vernacular Speech](#).] Budget 2023 is a sensible budget that provides for current needs, prepares us for the future challenges and strengthens our social compact while maintaining financial prudence.

What everyone is concerned about is the high cost of living that is felt not only in Singapore but all over the world.

Therefore, I am happy to see how support schemes are channelled so that everyone, not only the less well-off, but all families, will receive help regardless of income, such as the CDC vouchers. Those who are not working or with low-to-moderate income will receive more support, in the form of GST vouchers, cash payments, and S&CC and U-Save rebates.

This is in line with our society's values and reinforces those values through actions where we help each other collectively, with those who are less well-off receiving more help.

The Assurance Package support network will be able to help many families, including the "sandwich class" families, where a middle-income family with 2 children and 2 seniors can receive support of up to \$8,000 dollars this year

The enhancements to the Assurance Package will increase its expenditure by \$3 billion, thus increasing the total amount of the Assurance Package from \$6.6 billion to \$9.6 billion!

These enhancements to the Assurance Package is justified in such a unique situation. However, we should continue to monitor the budget in future and fine-tune it as the situation improves. This is necessary because spending of this magnitude is not sustainable in the long term.

With competition for investment and jobs intensifying around the world, I am also pleased to hear about the sustained commitment to helping businesses transform and grow in the global markets.

There is also a sustained commitment to improve the skills and productivity of workers so that the workers can see real wage growth while we also focus on inclusive growth so that everyone has employment opportunities.

Therefore, I also would like to understand more about "Jobs-Skills Integrators" that will help employees improve their skills and facilitate job placement in growth industries.

And at the COS Debates later, I would also like to understand more about how we can encourage more companies to take advantage of the Senior and Part-Time Worker Schemes to redesign jobs to provide more employment opportunities for older workers, part-time workers and persons with disabilities.

(In English): In conclusion, Mr Deputy Speaker, Sir, Budget 2023 is a balanced Budget that addresses the key issues weighing heavily on everyone's minds while preparing us for the future challenges and it does so by working within the constraints of the limited resource that we have.

The tweaks that were made on taxes on luxury vehicles ARF and buyer stamp duty for higher property values are in the right direction to make our tax system fairer, more progressive, resilient and sustainable.

It is important that the overall tax burden does not rest disproportionately on any category of taxpayers and it is equally important that we continue to have a balanced budget.

This is consistent with our values as a society and reinforces it with action where collectively, as a society, we support each other and the less well-off should receive more, while we move forward together towards a new era. Notwithstanding the clarifications above, I stand in support of the Budget. Thank you, Mr Deputy Speaker, Sir.

Mr Deputy Speaker: Ms Tin Pei Ling.

5.38 pm

Ms Tin Pei Ling (MacPherson): Mr Deputy Speaker, Sir, this year's Budget is a generous one with measures that recognise and target the immediate challenges Singaporeans face, as well as the needs for Singapore's future.

Most immediately, Singaporeans are worried about the high cost of living. Headline inflation, the CPI of all items, is 6.1% in 2022, with increase in transport, housing and utilities and food prices being main contributors. This impact is especially salient for middle- and lower income households, financially and psychologically. Hence, the enhancements to the GSTV scheme and Assurance Package are much welcomed.

Against a challenging macro environment and competing needs domestically, I am glad to note that the Government will continue to uphold the practice of fiscal prudence and principles underpinning the protection of our reserves.

In his Budget speech, Deputy Prime Minister Wong explained that the Singapore economy just recovered from the COVID-9 pandemic and with a tight fiscal position, the Government will not be putting back what we have drawn from the Past Reserves.

However, I hope that we do not lose that discipline as years pass. And with external factors, such as continued geopolitical instabilities and higher than normal inflation amidst lower global growth, we may find it even more difficult to do so in future. Should a major crisis hit again and sooner than expected, will we have the same financial muscle and confidence as we did during the COVID-19 pandemic?

I understand that it is always a tricky trade-off between spending for today, investing for the future and saving for the unexpected. But, could the Deputy Prime Minister give commitment that the money taken out of our Past Reserves will be put back at the earliest opportunity to do so, and if not at one go, at least in phases? I raised this during last year's Budget debate and I would like to raise it again today.

In case I get misunderstood, let me state that I believe it is necessary for us to draw on our reserves to help Singapore and Singaporeans get through difficult times and we need to spend enough to help Singaporeans with the immediate cost challenges. But we must keep in mind that we cannot deplete our reserves and that we must guard it judiciously.

Our pioneers took more than 50 years to save up this pot of gold because they want to protect their children and future generations. Similarly, we too have a duty to use this pot of gold wisely and make sure that we put back what we took once we can, so that our children and their children can continue to have this asset to fall back on when they face the crisis of their generation.

Singapore turns 58 years old this year. As a fairly young nation, we still have much to build. As each new generation emerges and succeeds the preceding one, we can expect adjustments to be made, to match the broader trends around the world, and the changing values and expectations.

On the whole, we aspire towards a fairer and more inclusive society, in which we respect diversity, maintain harmony and hopefully, will be kinder to each other.

Hence, in strengthening our social compact, these aspirations and values need to be translated into tangible policies for Singaporeans and Singapore.

On housing, this House saw a rigorous debate on public housing earlier this month. I am glad that the Government reaffirmed its commitment to keeping public housing affordable and accessible, for this generation and the next.

Home ownership is one of the five most fundamental pillars of our social safety net. The ability to secure a home gives our people, especially young couples, the confidence to build their families and in turn, reinforce their shared sense of destiny with Singapore.

Therefore, in this Budget, I am glad that the Government will refine the BTO scheme to give first-timer families with kids and young married couples aged 40 and below an additional ballot. I have met several young couples who feel highly stressed that they could not secure a flat in the ballots while their biological clocks are ticking away. Hence, it is heartening to note that the Government is responsive to citizens' needs.

However, amongst these young couples I met, almost all of them have a strong desire to live near their parents, for mutual familial support. Parents can help care for the couples' kids and the couples can in turn care for their parents as they age further. But when they fail at the ballots or cannot afford a nearby resale flat, one can imagine the anxiety they feel.

While I understand the Government needs to make many considerations, such as ensuring a certain level of refreshing of the population in any precinct, could the Government consider increasing the proportion of flats set aside under the Married Child Priority Scheme (MCPS) in BTO projects at mature estates? Or give another additional ballot to first-timers repeatedly applying under the MCPS?

It is in the mature housing estates where we see more elderly parents, who are less likely to move out as they will have to unplug themselves from a familiar environment and existing social networks; and their adult children understandably want to live nearby for the reasons I articulated earlier.

Furthermore, first time buyers and these would include the young couples or families, who favour speed and affordability, would have already chosen non-mature estates. And so, those who continuously choose mature estates must therefore have good reasons to do so.

Next, on opportunities for children, I am heartened to note that the Government is spending more to narrow learning gaps for children and is reinforcing the important role of early childhood education in any child's development.

Scaling up the KidSTART nationwide is certainly noteworthy. The move to increase 22,000 full-day childcare places and expanding the number of MOE Kindergartens are to be rejoiced as well. As it is, the anchor operator partner childcare centres in MacPherson are already full and parents are anxiously on the waiting list. Hopefully, the announced increase will come to MacPherson's – and soon.

Still, I hope the Government will also do more to increase places and train more teachers for children with special needs. Children with special needs are already at a disadvantaged starting point and hence, ensuring their access to the right early childhood education is even more important.

Allow me to share two residents' plights.

In the first, there is a resident by the name KT, who first approached me to appeal for subsidies to enrol her daughter in a private kindergarten. KT's daughter has severe autism. The child has been attending mainstream preschools until the schools found it too difficult to cope with caring for the child. By mainstream, I meant those with subsidies.

KT managed to enrol her daughter in early intervention classes at AWWA, for which they are grateful to receive fairly generous subsidies which are helpful to the couple who do not have a fixed income. However, the intervention classes are on part-time basis only and the child would not be able to receive the full learning experience that her peers are receiving.

After much heartache, KT managed to find a private preschool that her daughter could finally fit in and responded well to. This preschool is not a high-end one but KT could not receive subsidies if her child is enrolled in it. My understanding was that this centre did not qualify a particular criterion and hence, the KiFAS subsidies could not be given. Consequently, the family soon found it too challenging to continue.

As a mother, I feel for KT. She really just wants to try her best to place her child at a centre where her daughter finally feels comfortable in, where the principal and teachers understand her daughter and where her daughter can finally learn and seem to thrive. She felt torn between the ability to afford and settling for a centre that may not be suitable for her daughter. Hence, I wonder if subsidies could be "ported" over for specific individuals in special circumstances like this?

In another case, another resident XY approached me. Her son was originally enrolled in a local anchor operator childcare centre. One day, her son was found to have special needs and the centre found it too difficult for them to manage. I was told that the principal allegedly insisted that her son be taken out of the centre. We appealed for the son to stay but the centre's decision remained.

Understandably, XY was desperate and sought help again. Thankfully, in this case, the Early Childhood Development Agency (ECDA) and my grassroots leader managed to find an alternative for XY's child. But the process was disruptive for the child's learning and caused much heartache for the family. Hence, could there be better training and more resources given to support all anchor operator and partner operator centres so that they can accept more children with special needs?

Next, on preparing for the silver years. Sir, we know for a long time now that our population is ageing. Hence, preparing our nation to be senior-friendly is ever so important and urgent. We will all grow old one day. So, what we do to care for our seniors today is also caring for our generation tomorrow when we have grown old. Hence, I support the efforts to ensure seniors live as much of their lives in good health as possible and to have ample options to age in the community. I support the approach and measures set out in the Budget.

In addition, I would urge that we pay special attention to socialising our seniors in the community to ensure that they are plugged into social networks and have a diverse range of activities to choose from. We must strive to help our seniors avoid a sense of loneliness and avoid social isolation as these can lead to rapid mental and physical deterioration. Even the fittest elderly can also be vulnerable to loneliness and social isolation.

Apart from preventive healthcare and Immediate and Long-Term Care (ILTC), community hardware and programmes need to be carefully designed with today and tomorrow's elderly in mind. I believe we have been doing well in providing for seniors of today. But building infrastructure and developing programmes need lead time, and we must hasten our efforts as we project into the future.

Just to give an example. Recently, I received email requests from residents of the "young-old" profile who asked for Gym Tonic, which is less intensive than normal gyms but more sophisticated than the usual neighbourhood fitness equipment and programmes. This, to me, is an early signal of a generational shift in "taste" and preference for what constitutes active ageing.

In the past, I often heard seniors lament about "waiting to die", which seemed to reflect a certain grief over losing mental and physical capacities. This is sad and scary. We must work to deliver a different, better future for our seniors. Aging need not be a countdown to life. Entering the silver years can be a new beginning where there is life, people, new dreams and new adventures worth looking forward to every day.

Hence, I urge the Government to double up its efforts in pushing for a Healthier SG and ensure that building plans and programme offerings are by design friendly to seniors today and tomorrow. Allow me to speak in Mandarin, Sir.

(In Mandarin): [Please refer to [Vernacular Speech](#).] Mr Speaker, looking at the present and the future, the challenges we face cannot be underestimated. How to avoid obstacles and press on requires wise leadership and a united people. Therefore, with the rise of a new generation of Singaporeans, our social compact needs to be adjusted to keep up with times.

This year's Budget dealt directly with our future needs and immediate concerns. While it is heartening, I still have some suggestions to the Government.

First, to encourage the various generations in the family to take care of each other, can the Government raise the Married Child Priority Scheme (MCPS) quota so that more young first-timers can secure new homes close to their parents?

Second, increasing the number of preschool places will ensure that children will have a better start and that parents can work worry-free. However, there are still not enough preschool centres for children with special needs. Children with special needs already have learning difficulties. It is only right to give them more support. I hope that the Government will increase the number of teachers in this area and provide more subsidised places.

Third, growing old is inevitable but this does not mean that we should be counting down to our last days. Instead, this should be the beginning of a new chapter. I hope that the Government will continue to build a vibrant future for the elderly, promote Healthier SG and design activities, programmes or infrastructures with different age groups in mind.

(In English): Sir, Singapore's social compact have evolved over time. From focusing on survival as a nation in the 1960s to 1980s, to the "Many Helping Hands" approach that encouraged a greater sense of collective responsibility from the 1990s to the mid-2000s, to recognising that Government and the community need to play a bigger role to complement individual and family efforts. Singapore has done well so far.

As we look ahead, there are many complex challenges that we have to grapple with. We face macroeconomic uncertainties, geopolitical instability, rapid social change and game-changing technological innovations. These can change the world as we know it. To navigate around these challenges and steer Singapore forward, we will need strong financial muscles, solid willpower and a willingness to give and take. Hence, notwithstanding my earlier points made, I see this Budget as one that builds on past efforts and one that will continue to take Singapore forward. I support the Budget.

Mr Deputy Speaker: Mr Seah Kian Peng.

5.53 pm

Mr Seah Kian Peng (Marine Parade): Mr Deputy Speaker, with all this talk about social compact, it may be useful to note that while the concept was born hundreds of years ago in 17th century political philosophy, in this House, it was first used only in 1996 in a debate on the White Paper introduced by the Minister for Transport on "A World Class Land Transport System".

Since then, it has been used in almost every Budget debate in recent years, and certainly the last few speakers. A social compact is essentially an exchange of promises – each of us give up our freedoms to pursue selfish interests in an unfettered way in exchange for a stable, ordered, fair society in which we all have an equal chance to flourish.

In the founding days of Singapore, these ideas were front and centre in all that Mr Lee Kuan Yew and his colleagues did. An examination of records around Singapore's Independence would show that Mr Lee and his colleagues were very clear in their purpose. "My business is the people's happiness"; this is what Mr Lee Kuan Yew said on 27 May 1965 in the Malaysian Parliament. "My business is the people's happiness". And "happiness of the people" appears in the Proclamation of Independence on 9 August 1969. And the word "happiness" is enshrined in our National Pledge. All these formed part of the social compact that he and his team forged with the people of Singapore.

Over the years, our social compact was not lost on successive Prime Ministers and their teams, from Mr Goh Chok Tong, Mr Lee Hsien Loong and their teams. So, I am very glad that Deputy Prime Minister Lawrence Wong called this out in his Budget Statement last year and that this year's Budget had many good measures which will certainly help strengthen our common identity and social compact.

The Budget is the most binding version of our social compact because it allocates resources that put these big ideas to work for the future of Singapore and Singaporeans.

Budget 2023 is an inspired political statement that spells out duties for the rich, welfare for the poor and opportunities for all. In many ways, it is a decisive break from the past.

To show how and why, let me contrast this with the political language and financial principles outlined in 1996 by the person who first used the words "social compact" – and this was by Nominated Member of Parliament and economics Prof Lee Tsao Yuan.

In her speech that year which argued for increased subsidies for transport, she said, "Education, health and housing have, from the very beginning of the PAP Government, been treated differently. To me, subsidy is not a dirty word. Making basic health, education and housing affordable is and always has been, the social compact between this Government and the people." She then outlined her own ideas of four financing principles used in the provision of public services by the Government.

First, she argues, and I quote her again, "There is no such thing as a free lunch. A price tag is put on almost everything in Singapore by the Government." In the 1990s where there was a wave of experiments on privatisation, this could be true. Indeed, it is still a principle of good fiscal prudence to understand the price of things. However, Budget 2023 with its high focus on redistribution, especially for those most vulnerable among us, shows that there are free lunches for those who need them.

The second principle is: "You get what you pay for". Again, I quote her on that. Her example was on hospitals, and she said, "If you want the comfort and privacy of an "A" Class ward, well, you pay hotel prices." This principle certainly holds for the upper end of the market, but increasingly, not for the lower, especially in this Budget. The Assurance Package, the increases in CPF housing grants and subsidies for the elderly, they all show that we are not slaves to the market and in fact, we are going quite far in the opposite direction. In large sectors of our economic life, in fact in the biggest ticket items, most Singaporeans get far more than what we pay for.

I shall say more about these two principles in my cuts during the Committee of Supply on Ministry of Social and Family Development (MSF).

The third principle, Prof Lee Tsao Yuan says, applies to the provision of three public goods – health, education and housing – and is that of progressive subsidisation. In this, I would like to say that this Budget shows clearly that the progressive element, both in our tax and subsidy, remains core to our financing philosophy. It is a political, not mere fiscal, commitment – one which goes to the provision of all Government spending, not just social spending. And this is because of political origins of the PAP Government, born of our socialist beginnings, that those who have the most should carry the heaviest tax burdens in order to benefit those who have the least.

And in this, I would like to make a point about tax on cars and how we can improve our current COE system to make it even more progressive. There are cars which cost upwards of a \$1 million – the Ferraris, the Lamborghinis, and the McLarens; and even more exotic ones that could cost up to \$6 million. The tax that they attract is certainly higher than those cars which cost say \$100,000.

But the price of the COE they pay, in the "open category", is the same. Can the Government consider a special category for such "super cars" such that the COE market is competitive within this special class? This will have little impact on the majority of Singaporeans, who own only one, and relatively moderately priced, car.

In general, however, this year's Budget shows that the socialist heart of policy-making is still beating strong, from housing, to workers' welfare, to specific social groups.

The fourth financing principle of the Government outlined by Prof Lee is that all Government revenues go into a consolidated revenue account, which is that the Government does not tie revenue to specific expenditure items. This principle remains, but since 1996, one major change is that the Net Investment Returns Contribution (NIRC) today accounts for the majority of our Government funding. This is possible only because of the judicious and careful husbandry of public funds and wise investments over the last 57 years.

In these years, we have resisted over-spending, maintained a strong sense of self-reliance and continued giving all workers opportunities for training and progress. These were all ingredients of the current strong financial position that we are in today.

How do we ensure that, with greater welfare provision, that the self-reliance and ambition of our pioneering years remain strong? First, it is important to keep our debates both vigorous and honest so that we know when and where subsidies are truly needed.

Second, to keep opportunities open and plentiful for us all is by growing our Small and Medium Enterprises (SMEs) which collectively provide the most number of jobs to Singaporeans. Yes, SMEs occupy a special place in my heart, which is why in the last Budget Debate, I also spoke about them, and today, I want to say a few things about them.

Many of our SMEs are dealing with a myriad of challenges. There is added pressure all round as SMEs face higher operating costs, be it rental, energy, manpower, financing and so on. Vendors may also artificially increase prices, which can in turn negate the costs offsets by existing grants that SMEs have applied for.

More specifically, it is the lack of manpower and challenges in hiring local workers that is worrying for many of them. SMEs with labour shortages are occupied with day-to-day operations, and constrained in planning for longer-term business transformation and digitalisation. Hiring local workers with relevant skillsets is made more difficult if the sector is unattractive to locals, for example, retail, F&B, manufacturing. As a result, SMEs in these sectors have called for an increase in foreign worker quotas or to relax the criteria to qualify for foreign worker quotas to ease their labour shortages.

NTUC has called out to Government for enhanced support to offset these higher costs, to boost local hiring and productivity for our SMEs. We ask Government to enhance the level of and the range of support to companies to offset high operating costs and manpower challenges, step up productivity and digitalisation initiatives.

Can the Government offer loans with lower interest rates and review eligibility criteria for grants, such as removing the 30% local shareholding requirement and to allow more SMEs to qualify for the Productivity Solutions Grant?

We also ask for the Government to support SMEs in hiring local workers and their training efforts. Can we make upskilling a compulsory component in evaluating companies' eligibility for tax relief, while providing complementary training grants for companies to send workers for training? Can we also increase avenues for companies to obtain local accreditation for specific skillsets and improve funding support? With a vibrant and strong SME sector, we will be able to ensure opportunities for all.

We see more fully why this Budget is such a big step forward. These are three big ideas that form the bones of our new social compact, a greater distribution of welfare and duties among all of us who live on this tiny island, so as to ensure new and continued opportunities for us all, that we may achieve happiness, prosperity and progress as a nation. With this, Mr Deputy Speaker, Sir, I support the Budget.

Mr Deputy Speaker: Mr Zhulkarnain Abdul Rahim.

6.05 pm

Mr Zhulkarnain Abdul Rahim (Chua Chu Kang): Mr Deputy Speaker, Sir, I rise in support of the Budget Statement made by the Deputy Prime Minister and Minister for Finance.

Last year, amidst the challenge of COVID-19 and unprecedented economic conditions, my Budget Debate speech focused on maintaining fiscal discipline so that we can continue to build up our reserves for future generations.

This year's Budget seeks to strengthen our social compact including the needs of our Singaporean families and at the same time, ensure that our businesses and economy have the best springboard to progress, after COVID-19.

Mr Speaker, I will make three general observations on the Budget: first, the continual need for fiscal discipline and ensuring there are no wastages; second, the importance of expanding our tax base and building back our reserves; and third, the support for our young families with children, which I will deliver in Malay.

First, on fiscal discipline. We have to be prudent in spending. To quote Benjamin Franklin, "Beware of the little expenses. A little leak will sink a great ship". We must ensure that the help given out in Budget 2023 will be used and disbursed efficiently to those who need help.

For instance, I had recently filed a Parliamentary Question (PQ) on the process of appeals for CDC vouchers. As a grassroots advisor, I receive many appeals from Keat Hong residents on their entitlement to CDC vouchers. The reasons for appeal differ – for example, the vouchers had been redeemed by someone who is no longer residing in that household or by a tenant.

While we want to help as many people as possible, I hope the Ministry of Finance (MOF) can work with the relevant ministries handling the implementation of the various measures such as the CDC vouchers or other schemes set out in this Budget to ensure the efficient use of our resources.

In this regard, I had also previously asked a PQ on the findings of the AGO and the Public Accounts Committee on COVID-19 related procurement and expenditure. These expenses are necessary to our successful navigation through the pandemic.

I thus welcome Deputy Prime Minister's response that over half of the COVID-19 expenditure have been audited, and the remaining audits are ongoing and are expected to be completed by the end of financial year 2024.

We must continue to steward public funds and guard our resources jealously.

Next, on expanding our tax base by exploring alternative tax revenue streams and investments. In this regard, I have three humble suggestions.

First, is the Government studying the feasibility of a capital gains tax for properties like HDB that have been sold at a huge profit? This is to ensure that the public property market does not spiral out of control. It is not to say that there can never be a profit but if the profit is so excessive and disproportionate to the current fair valuation or initial purchase price, then perhaps a portion of that profit can be considered a windfall. In the future, when more HDB BTOs are built in mature estates including prime or central areas, there is a high likelihood of such windfall profits. Some Keat Hong residents gave me feedback that a lucky applicant should not be enriched solely because of fortuitous BTO balloting.

Second, perhaps the Government can also consider and study the feasibility of a windfall tax on companies that have benefited enormously from a particular situation. For instance, the UK introduced the Energy Profits Levy currently at 35% and the EU imposes a 33% levy on fossil fuel firms' profits and revenues made on rising electricity costs. Recently, oil and gas companies in the UK posted record profits due to the energy prices hike fueled by the Russia-Ukraine conflict. Shell reported profits of \$39 billion in 2022, the highest in its 115-year history. BP made profits of \$27 billion in the same year.

Nevertheless, I do admit that such windfall tax is not a foolproof solution because companies are nimble and will relocate and restructure their profits and revenue streams accordingly to avoid such tax. For example, BP said that its UK businesses account for less than 10% of its global profits, while Shell makes about 5% of its revenue in the UK. Both firms argue they have also lost a lot of money as a result of stopping investments in Russian oil firms.

My third suggestion is to explore alternative investment spaces to build up our reserves again. We cannot continue to tap on our reserves in the long term as this is not sustainable. With increasing spending, we will face bigger deficits in the future. Deputy Prime Minister said that it is unlikely that we will be able to put back what we drew from the reserves in the near future.

In this regard, there is a great opportunity and synergy in the Islamic finance sector, in particular the Green Sukuk and ESG space. At this juncture, I declare that I am a legal practitioner in the Islamic finance space.

While the global issuance of Sukuk marginally dropped in 2022, ESG Sukuk grew 35% year-on-year. Green and sustainability Sukuk have reached a new high, with demand driven by ESG-centric investors.

Regionally we are in the middle of powerhouses in this space, Malaysia is the country leading the world in Sukuk issuance year on year with US\$80 billion in 2022 and Indonesia, third globally, with US\$22 billion. In the Philippines, recently the Department of Justice (DOJ) said the Department of Finance (DOF) is legally empowered to issue Shariah-compliant financing instruments like Sukuk to make the country appealing to Islamic investments. We should seriously look at all opportunities and how Singapore can be positioned in this unique space.

Mr Deputy Speaker, the last part of my speech will be on one aspect that resonates with me most – support for young families. In Malay, please.

(In Malay): [Please refer to [Vernacular Speech](#).] On the issue of housing, I welcome the announcement in this Budget for more support in the form of grants and more balloting chances for young couples for BTO flats.

The definition of "first-time" applicants for BTO flats may be broader now and comprises not only young couples who wish to purchase HDB flats, but many other groups.

Therefore, we need to further tweak our BTO and HDB flat application process, to give young couples who wish to get married, the best opportunity to meet their housing needs.

Based on feedback from Keat Hong residents, many young couples with children welcome the higher balloting chances for BTO flats and enhanced HDB housing grants.

However, they feel that they are still competing with many other applicants from the other communities.

Thus, I had suggested in an earlier Parliamentary Question to further refine the BTO balloting system based on needs and types of applications.

For instance, there can be a phased or staged approach similar to Primary One school registration. Each phase can have a fixed quota for different groups, for instance, young couples, elderly and families with children. The final phase can be opened to everyone. This will ensure that there will be a diverse mix of residents in an estate and give young couples a equal and fair opportunity.

In this regard, the Minister for National Development's reply to my previous Parliamentary Question that, following the ForwardSG conversation, respondents mostly agree that we should prioritise first-timers who are looking to purchase their first home, especially for those with more urgent housing needs, such as first-timer couples who already have children but are without their own home, as well as lower-income families, who have fewer options in the open market.

In addition, I welcome the pro baby initiatives such as the Enhanced Baby Bonus and the extension of the Baby Support Grant. This will likely help alleviate the costs and expenses related to raising a child.

The CDA account promotes co-saving for a child's future. However, the allowable expenses from the CDA is limited to certain education and healthcare costs.

I propose that the Government perhaps can consider allowing CDA to be used for essential items like baby formula milk or diapers; which can be bought from authorised retailers. This will help lighten the financial burden of families. The Baby Bonus and BSG, which are given in cash, may not be sustainable for the long run.

With the successful rollout of CDC Vouchers in digital format which are easy to use on mobile phones without the need to download an app, there is potential to extend targeted help to families with young children and based on the number of children in the household.

In future, perhaps the Government can consider allocating a component of the Baby Bonus and BSG, in the form of a special CDC Voucher for households with young children of a certain age. This special voucher should only be used for expenses for their baby or for educational expenses.

(In English): Mr Deputy Speaker, Sir, not everyone will be fully satisfied with the measures proposed and changes announced in this Budget.

For example, the change in the Working Mother's Child Relief from a percentage to fixed dollar relief. Those with higher income will thus have a lower claim compared to a lower-income mother who can now claim a higher amount. One analyst said it translates to a lower claim for any working mother with an annual earned income of about \$54,000 or more.

Another change is the increase in tax rates in the form of buyer stamp duties for residential properties in excess of \$1.5 million. In this market, many condominiums of a certain size which can accommodate a family of five can fetch higher than \$1.5 million and so such buyers and families would be impacted.

Personally, I do not think this is a "Robin Hood" Budget. No one is stealing from anyone. It is one in which everyone shares and gives a little for the other. Instead of focusing on what goodies we did not receive from this Budget, we should focus on what we have given instead, what we have given up for the sake of Singaporeans who are more in need in our society.

The working mother who earns less should be helped more as this will impact her disposable income to spend on her children. The family who wants to live in a condominium and can afford it should pay a bit more in taxes, which would help subsidise the grants of public housing or rental flats for those who otherwise cannot even afford a roof over their heads.

This is our social compact, where everyone pitches in to help raise the other.

Our policies and ideals are always a work in progress, fine-tuned to adapt to our changing societal needs and global challenges.

Mr Deputy Speaker, Sir, in conclusion, I welcome Deputy Prime Minister Wong's Budget Statement to help our workers and businesses and strengthen our social fabric through targeted support for our families and the vulnerable ones in our society. Pro-family measures will hopefully spur our young couples to settle down and build their own families.

This time last year, I welcomed my fourth child. Parenting is both a joy and privilege.

I understand that next year is the Chinese zodiac year of the dragon, which typically records the highest number of births. So, we have to wait for all the appeals for Primary 1 registration. But I hope with these measures, the years ahead will not only be productive for Singapore but also be reproductive for our fellow Singaporeans. *[Applause.]*

Mr Deputy Speaker: Ms Hany Soh.

6.19 pm

Ms Hany Soh (Marsiling-Yew Tee): Mr Deputy Speaker, I spoke at last November's Adjournment Motion on the topic of Celebrating SG Families, sharing the many views which I have gathered from my Woodgrove residents on how we can better support young parents to embrace parenthood through live, work and play. It is heartening to learn from this year's Budget that one emphasis is on building a Singapore Made for Families.

At this juncture, I should first declare that I also fall under the category of a parent with young children.

I have broadly categorised this year's Budget support for young couples into three categories: (a) helping young Singaporeans to realise their housing aspirations; (b) ensuring that their journey of raising children remains affordable; and (c) increasing the availability and flexibility of more support for childcare.

Firstly, on the issue of housing, many young couples whom I have spoken with in Woodgrove appreciate the Government's effort to increase the support for first-timer families to purchase resale flats as these measures will ease their monthly housing loan repayment burdens of their first home.

However, many feel that the support does not defray the existing issue, in that many young couples have opted out of resale flats as an option because the Cash Over Valuation (COV) component that is being insisted by many sellers in the open market. In many such situations, these amounts could end up in the region of about \$30,000 to \$50,000 or even more. Such COV amounts, unfortunately, cannot be covered by housing loans or CPF and must be paid for in cash, which young couples with limited savings are unable to afford.

In this regard, would HDB be introducing any measures to curb the COV situation or could the relevant regulations be amended to allow housing loans or CPF monies to pay off the COV component?

My second point is on the issue of affordability of raising children. In past school reunion gatherings, I often took the opportunity while catching up with my peers to find out why several of them are putting off the idea of having a child or having more than one child. Several whom I have spoken with shared that while they and their spouse aspire to have children, they are worried about the rising costs of raising a child in Singapore and thus have put off having children until they have achieved stability in their careers.

The issue of financial safety is therefore constantly on the minds of would-be parents and the recent increases in the cost of living has also done little to ease these worries. Besides increased day-to-day expenses, the policy changes that affect household finances can also influence a family's decision to have children.

As an example, the incoming changes to the Working Mother's Child Relief (WMCR) from a percentage-based calculation to a fixed sum has brought mixed feelings on the ground. While the WMCR adjustment comes as good news for working mothers in the lower-income group, for those earning more than \$4,500 per month, this change will, in reality, reduce the amount of tax reliefs for them, with these reductions becoming more pronounced as their salary increases progressively.

I am therefore concerned as to how this change will affect those who are under the sandwiched middle-income group. Under the newly adjusted WMCR, those who earn about \$5,000 per month would experience a reduction of \$1,000 in tax relief while mothers with a monthly salary of \$8,000 will see their tax reliefs drastically cut by about \$6,400.

Considering the purpose of the WMCR, what were the considerations behind this change and to what extent was the impact on mothers from the middle-income brackets being taken into account?

Although the increase in the Baby Bonus Cash Gift and the increased Government contribution to the CDA do promise to offer some financial assistance to defray child-raising costs, the impact of the decrease in the WMCR will impact working mothers on an annual recurring basis until either when her income decreases or when she is no longer eligible for such relief.

I therefore hope that the Government can consider making a slight tweak to this policy, retaining the percentage and the fixed quantum, whichever is higher shall apply. Such an amendment will create a win-win situation by allowing lower-income working mothers to receive adequate tax deductions and motivate them to continue to remain in the workforce after having children and continue to pursue their future career aspirations.

Under the current rules, new working mothers are allowed to share up to four out of 16 weeks of their allocated Maternity Leave with their spouses, which has allowed new families greater flexibility in infant care arrangements, with family bonding time.

With the latest Budget announcement, fathers who are currently employed will have their paid Paternity Leave increased from two to four weeks. This is surely a welcome change as fathers are increasingly becoming more involved in the day-to-day upkeep and care of their newborn children.

With that being said, are there plans to allow the sharing of Parental Leave to become even more flexible such as allowing couples more freedom to transfer their respective allotted leave days among themselves, be it Maternity or Paternity Leave? As each family situation is different, I believe that allowing this freedom will grant a net positive benefit for those expecting new members in their family.

Over the years, Singapore's infrastructure has been consistently upgraded, with consideration towards greater convenience and accessibility requirements. Our public housing is one such example through HDB's various initiatives such as the Home Improvement Programme (HIP).

During HIP, apart from improvements such as replacing the clothes drying rack, families with seniors can take the opportunity to opt in for Enhancement for Active Seniors (EASE) improvements, furnishing these older flats with safety features such as a slip-resistant treatment to floor tiles and grab bars in the bathrooms.

On the same purpose that HIP is intended to update older flats with new features that make life easier for its inhabitants, some of these features to be introduced therein should therefore also look into how to benefit families with young children. This is so especially when we are now encouraging young couples to consider purchasing older resale flats in the open market.

The COVID-19 pandemic has taught us that in times of weariness and difficulties, our homes remain as a haven as we work towards overcoming obstacles in life. For parents with young children, this means ensuring that their homes are well equipped to cope with the pressures of parenting along with the usual demands of work and household upkeep.

One example is to introduce enhancements that make homes future ready, whether by allowing complimentary access to 5G networks that makes it easier to work from home and installing various child safety features such as window guards and slip-resistant flooring.

As families begin to spend more time outdoors following the relaxation of COVID-19 protocols, there will be more demand for family-friendly features that allow for a more comfortable bonding experience.

In recent years, apart from handicap parking lots, we have also begun to see more family-friendly parking lots in commercial malls. There has also been an increase in the availability of nursing and diaper changing facilities – thanks to BCA's Accessibility Fund grant. While I applaud the introduction of these facilities, it should be noted that most of them focus on meeting the minimal requirements, causing them to not meet the satisfaction of the users' overall experience.

I spoke to Mr Phua Wee Seng of Rare Disorders Society Singapore on this issue recently. Wee Seng's teenage son suffers from a rare and life-threatening genetic disorder, which requires him to manoeuvre around on a special wheelchair. Wee Seng shared that many of the lifts and handicap toilets in the malls in Singapore are in fact too small and cramped, which has caused tasks such as the changing of diapers for his son to be of a great challenge.

Our amenities and infrastructures will therefore need to be designed with the end users in mind. Say, a stay-at-home mother who has to take care of two young children and needs to bring them to the polyclinic for their occasional vaccinations, for example. Are there any family-friendly parking lots within close proximity to the polyclinic for someone like her? When it rains, is the route from the carpark to the polyclinic entirely sheltered and with barrier-free access?

Besides providing more family-friendly amenities, we can also look into creating an express lane system for more locations catered towards senior citizens, people with mobility issues and families with young children. ICA has recently showcased its Special Assistance Lanes at various passenger halls in Changi Airport to enable travellers using wheelchairs and family groups of up to four persons to enjoy the convenience of automated immigration clearance. This is a good start and we should continue to explore introducing more efficient queue systems to places, including banks, community clubs and polyclinics, just like countries such as Japan have implemented.

Workplaces also plays an important role in encouraging a more family-friendly culture. Many companies have since mandated a return to the office to increase productivity back to pre-COVID-19 levels, but this decision may not necessarily be welcomed by many of its employees, especially parents with infants, who have become used to the flexibility of remote working over the past couple of years.

For companies to adopt the Tripartite Standard, there may be a need to formulate processes to ensure that Flexible Work Arrangements (FWAs) are properly adopted by them and that the arrangements are fair for both employers and employees within each company. It is important that employers and employees continue to have candid discussions amongst themselves to better understand each other's needs and concerns, with a view towards maximising productivity, while ensuring that the workers have sufficient work-life balance.

A Singapore Made for Families will need a concerted effort from the whole-of-society in order to make it a reality, namely those from the 3Ps: People, Private and Public sectors. Only when everyone is aligned towards this common goal, with more empathy and understanding raised in this regard, will we be able to achieve it.

A successful transformation to a Singapore Made for Families will be complete when we can answer the following questions in great confidence: When the childcare calls the working parent to inform that the child is sick, would the working parent be able to take urgent leave to pick up the child? Would the employer be understanding to allow the employee to continue to work from home for the next few days in order to take care of the child at the same time? Is the home deemed conducive, equipped with features ensuring that the working parent is able to cope with working from home and caring for the child? And when the parent sends the child, who has been running a high fever in the night, to the hospital's A&E or its Children's Urgent Care Clinic, would the premises have already looked into how to reduce the waiting time, and at the same time, trained their staff to provide adequate interim support to reduce the helpless parents' anxiety on the child's conditions?

In conclusion, Mr Deputy Speaker, notwithstanding my requests for clarifications and suggestions, I stand in support of the Budget.

Mr Deputy Speaker: Leader.

EXEMPTED BUSINESS

(Business Motion)

The Leader of the House (Ms Indranee Rajah): Mr Deputy Speaker, on behalf of Leader, may I seek your consent and the general assent of Members to move a Motion to take the proceedings on the business set down on the Order Paper for today beyond the moment of interruption, please?

Mr Deputy Speaker: I give my consent. Does the Leader have the general assent of hon Members present to so move?

Hon Members indicated assent.

With the consent of Mr Deputy Speaker and the general assent of Members present, question put, and agreed to.

Resolved, that the proceedings on the business set down on the Order Paper for today be proceeded with beyond the moment of interruption. – [Ms Indranee Rajah]

DEBATE ON ANNUAL BUDGET STATEMENT

Debate resumed.

Mr Deputy Speaker: Ms Nadia Ahmad Samdin.

6.34 pm

Ms Nadia Ahmad Samdin (Ang Mo Kio): Mr Deputy Speaker, Sir, I rise in support of the Budget Statement. Over the last decade, we have seen the development of growing anxiety and erosion of trust between people and governments around the world.

The combination of factors that lead to this varies across nations, but they can be grouped broadly into three different categories: First, factors that contribute to the middle-class squeeze, for example, wage stagnation, increased costs of goods and services, an over reliance of debt and tax bands that place a heavy weight on the middle-class. Second, disparity of access to resources and opportunities across different groups including overwhelming student debt burdens, hard choices between furthering education and earning to support the family, career opportunities being afforded via a network effect with little consideration for capability. And third, the increasing use of ideological differences in fanning the flames of identity politics, where competing ideologies turn into competing identities, which makes it increasingly difficult to achieve majority consensus for what is good for society.

As a young nation which grew up fast, Singapore is not immune to the factors above. We are an open society with immigrant roots, reliant on trade and investment. The Government has historically managed the risk factors in these categories and continues to place an emphasis in tackling most of these issues in Budget 2023.

Between 2012 and 2021, according to Ministry of Manpower's (MOM) data, the median gross annual income from work, including employer CPF contributions of full-time employed residents, grew from \$41,760 to \$56,160. In approximately the same time, data taken from the United States (US) census shows the median gross annual income from work to be at US\$32,000 in 2012, compared to US\$37,522 in 2021 – in Singapore, an increase of approximately \$14,400 compared to \$7,398 in the US.

One of the factors that has helped wage growth continue to rise in Singapore is the Government's focus on upskilling and attracting investment. I applaud the top-up of the National Productivity Fund and expansion to include investment promotion as a supportable activity. And this will include supporting companies in their efforts of building new capabilities, adding greater value to domestic ecosystems and opportunities for better jobs for our workers as long as we remain hungry.

Also, social mobility continues to be a cornerstone of society. While education systems are often touted as a great leveller, we must pay careful attention to how we create access, so as to also meet the needs of children from more disadvantaged households.

A featured story by the World Bank in November 2021, cites research from India and Indonesia that is shedding new light on low intergenerational educational mobility, highlighting that education systems can entrench inequality, rather than combat it if designed poorly. I am heartened to hear that KidSTART will be expanded nationwide, coupled with efforts like ComLink and Project DIAN@M³, I hope that we can truly make a difference for the next generation.

This Budget, the Government has laid out its commitment towards tackling cost of living and affordability issues, which are a part of every maturing economy. And the difficulty of this task is exacerbated by extenuating market conditions: a hawkish federal reserve combating inflation, disrupted supply chains, geopolitical uncertainties – all of which contribute towards price instability on goods and services.

A wise friend once told me, we cannot attribute what we know from our unique experience to what we expect people to know. Seeking our people's understanding of the difficult decisions and trade-offs will not change the everyday reality that our morning kopi peng with eggs and kaya toast set has become more expensive, which is why I applaud the Government's efforts in the tangible development of the Assurance Package, and other schemes that seek to help a majority of citizens address these cost-of-living issues. We must continue to communicate these assurances concisely and clearly.

Having said the above, even with the assistance provided, uncertain conditions create fertile ground for hopelessness and anxiety to take root. While we attempt to shield Singaporeans from economic headwinds, we must also invest in schemes and programmes that help our citizens achieve better resilience and mental well-being outcomes. Sir, we have to go beyond campaigns and taglines to truly consider the spectrum of needs in mental health support.

The WHO reports that half the world's population are currently in work and 15% of working-age adults live with a mental disorder. Without effective support, mental disorders and other conditions can affect a person's confidence, identity, capacity to work productively and the ease with which to gain and retain work.

Globally, 12 billion working days are lost every year to depression and anxiety alone. Mental health conditions also impact families, carers, colleagues, communities and society at large.

Mr Deputy Speaker, Sir, I hope that over the next few days in this House, we will make moves on this topic as well. For example, one possibility is the pilot of a mental well-being credit scheme that could incentivise companies to truly invest in the mental health of their workers. The framework for this credit scheme could be developed in partnership with tripartite partners, healthcare practitioners and the inter-agency task force on mental health and well-being.

Such a scheme should focus on scoring a workplace's mental wellness protocols, instead of scoring employees, just to be clear. And this could provide us a base to develop better frameworks to facilitate the acceptance and integration of mental health as a part of our working culture.

Investments that focus on emotional well-being, stability and diversity are also critical in tackling the issues that arise from competing ideologies. Achieving consensus in society is a Sisyphean task. Some people like the otters and roosters, others want them removed or do not care. Some are willing to bring their own bags to grocery shopping while others want more plastic bags to dispose of the waste. Some champion low-income workers and would pay more for services and goods, while others want to keep their cups of teh tarik to 90 cents.

Some modern ideologies clash with beliefs which are rooted in tradition. Every decision requires careful deliberation, consultation, trade-offs and tough choices. Efforts like Forward Singapore help to bring dialogue to our people, encourage diverse voices to raise their views and allows people to have that tactile experience of conversing with someone who may not see the world the same way that they do.

We are moving away from quiet tolerance and building the muscle of discourse. In this process, there will be growing pains. Stewarding a peaceful and fruitful exchange of ideas is a difficult, but necessary task to undertake before we can build bridges, in the spirit of our shared social compact. I look forward to hearing more from our 4G leadership on their takeaways from this exercise in due course.

I recently had the chance to participate in a dialogue, in my capacity on the REACH Panel. It was a weekday after work and around 40 youths, between 20 and 32 had shown up to make friends in their neighbourhood, and to discuss what Vision 2050 Singapore might look like.

As I listened to their thoughts, topics such as tech layoffs, support for healthcare workers, trading off some order for a little more "rough around the edges", upskilling and housing were all topics which came to the fore. But one of the most common thoughts were that, firstly, we were so very lucky to be where we are today and to have this foundation and we must not take it for granted. Singapore must continue to be that place where people see value in staying and are willing to protect each other and what we have.

The Budget lays out and suggests what kind of future we want to see for Singaporeans. I would briefly touch on three groups. I have grown to know and love many elderly in my constituency. There is something about the way they take my hand and tell me to look after my health that never fails to fill my heart right up. During my house visits, I recently met one aunty in her 60s, who looked like she was in her 40s. I asked her to tell me her secret, and she told me: "哈哈大笑。有钱就吃多一点，没钱就吃少一点", or "Laugh and smile. If I have more, I eat more; if I have less, I eat less". We take life as it comes.

Many of them continue to hold jobs too. For some, this is a way to keep actively engaged, but for others, it is a painful necessity to afford life. I am glad that the measures in the Budget around the continued employment of seniors, should they choose, are centred around ensuring that companies are incentivised to compensate workers fairly, as well as retirement adequacy.

The CPF increase proposed in this Budget affects employer contributions as well and I understand that the Government has planned for an offset to assist companies in meeting this goal, as well as the senior employment credit. However, given that there are time limits to this, what more can be done on a societal level to prevent a drop off in hiring seniors when the credit and offset expires?

Beyond the economic factors, I also hope we can improve the quality of life for our seniors, strengthening the family nucleus and caregiving. For example, for those who sell their homes and their parents' homes to consolidate into a multi-generational flat, I hope that we can relook the criteria of certain support schemes and caregiving subsidies dependent on flat type, to allow for elderly and their adult children to continue receiving help.

For those who may not be as close to their children, that we can expand community care apartments and encourage society to step up as eyes and ears on the ground, so that our elderly feel supported, valued and that they matter.

On our middle class, we allocate more resources to those who need it more. This principle is generally undisputed. But more and more, on the ground, we hear from people who may be just priced out of housing grants and schemes, but can ill afford a private home; older retirees who may be "asset rich" but cash poor; and those who care for their parents as well as their children amidst rising costs.

Sir, I understand and support the Government's approach in stewarding resources towards ensuring that the people who need assistance the most remain the largest beneficiaries. As highlighted in the earlier part of my speech, wage growth continues on an upward trend and that is the best lever.

Having said the above, there some young professionals who say half in jest: "Work hard so you have more money to actually buy a flat, but don't work so hard that you earn so much and you might bust the HDB income ceiling." Narratives like these may not apply to the majority of the population, but they can lead to a disheartened and disgruntled sandwiched middle class. I hope that the Government continues to engage this segment of Singaporeans.

Third, our youths. Earlier on I spoke about some the youths I met about their vision of Singapore in 2050. One other point resonated consistently throughout the evening – is there more than one version of the Singapore dream? Are we too deep in hustle culture, primary one registration, being the first in the queue, growing reliant on incentives in order to do what is for the broader good, aiming for that elusive Built-to-Order (BTO) ballot number, to slow down? In our garden city State, can farming, working with wildlife, the social sector, heritage and the arts have space in this Singapore? Can a gap year while we figure out things be forgiven? Can there be second chances and a life beyond grades? What are the trade-offs? How can we fight for climate justice? How can this be a part of every child's upbringing, just as important as algebra? How can we live out what it truly takes to reach Net-zero so that there continues to be a green, blue and brown world for our next generation? A few words in Malay before I end.

(In Malay): [Please refer to [Vernacular Speech](#).] Prior to this Budget, some Cheng San-Seletar residents spoke to me about their concerns on the rising cost of living. They were also concerned whether they will be able to have adequate savings for retirement. With the announcement of Budget 2023 by Deputy Prime Minister Lawrence Wong, I hope that this will in some way ease their concerns. I am very happy to see the Government's commitment to support the aspirations of young families.

With support such as increased paternity leave, enhancement to the Baby Bonus Cash Gift (BBCG) and the Child Development Account (CDA), I hope fathers can also play a more active role in taking care, educating and raising their children. I also welcome the additional grants from the Government for those who want to buy resale flats.

However, besides helping Singaporeans have a family and own their dream homes, I hope the Government would also extend its support to help family members working in the gig sector. I was glad to hear the recent announcement to improve the financial security of platform workers. I have met gig workers who prefer cash income that they can receive promptly while they are still young, but upon reaching their 30s, they realised they did not have enough savings and CPF to buy a home. Considering that the gig economy will be permanent, I look forward to hearing more details during the Committee of Supply (COS) debate.

(In English): In closing Sir, I am looking forward to participating in this year's Committee of Supply debate. As Members of Parliament, we all feel the sentiments on the ground keenly, and know intimately the worries as we emerge from COVID-19 into an uncertain environment. I am glad that Budget 2023 focuses on moving forward together in a new era and appreciate many of the decisive measures we are making with our people. Mr Deputy Speaker, Sir, I support the Budget.

Mr Deputy Speaker: Dr Wan Rizal.

6.49 pm

Dr Wan Rizal (Jalan Besar): Mr Speaker, I rise in support of the Budget. In my speech last year, I gave an analogy that we were taking a roller coaster ride in the dark. We do not know where and when the twists and turns are, but we stayed united and trusted each another, and now, we are out of the tunnel and can anticipate the turns and the twists.

And that is what this Budget is about. It is about knowing there is much global uncertainty, cost of living issues, an ageing population and the need to sustain social mobility.

This Budget anticipates these issues and aims to navigate Singapore onwards in solidarity and unity in an ever-dynamic landscape.

Sir, I want to thank our public service officers, especially our healthcare workers and educators, for their commitment and professionalism over the past three years. We must continue to support them by providing a better work-life balance.

I have some suggestions.

First, clear guidelines on work hours and designated times for disconnecting should be established.

For teachers, a suggestion from the Singapore Teachers' Union (STU) is the introduction of a whitespace for marking, lesson planning, student guidance and counselling. This will allow the teacher some focused time to get some work done rather than doing it after school hours.

A second suggestion by STU is the enhancement of effective communication channels between teachers and management. For example, how do we empower teachers and cultivate teacher agency, so that teachers can negotiate deployment such that win-win outcomes are achieved for the teacher and the school?

Third, I am also aware of the abuse healthcare workers and teachers may encounter. I ask that we explore and provide practical ways to support and protect them. A zero-tolerance policy with clear protocols for handling such cases must be established. We must do more to say that if you harass or abuse our officers, there will be consequences.

Sir, two areas in this year's Budget that resonate with me are providing opportunities for everyone to advance in life and strengthening our social compact. I will touch on these two broad areas: education and health.

I welcome the announcement that that we will invest more in our children – to scale up the KidSTART programme nationwide to support more children in disadvantaged families.

I note, however, that for children aged three to four years old residing in public rental flats, the preschool enrolment rate is lower than the national average. Residents have shared their challenges and I empathise. But I do believe that the mindset of preschool education must change. It is not just play.

In early childhood education, children are provided with opportunities for deliberate play and exploration, allowing for social interaction and problem-solving skills beyond what books can offer. This is essential in their development. Perhaps it is time that we mandate compulsory education for preschool. This will underline a strong commitment to tackle inequality at the earliest juncture possible and ensure that every child can discover the joy of learning, exploration and play.

Sir, in my maiden speech, I mentioned that I envisioned a future where specialised courses are curated in collaboration with industry partners, creating a symbiotic relationship between content and relevance and further supported by a robust apprenticeship approach.

Thus, I am heartened that we will continue to invest in our people and the Jobs-Skills Integrator is an excellent initiative. To me, this is a game-changer because not all skills training will translate into good employment outcomes. This will plug the gap and ensure that training improves employment and earnings prospects. Additionally, if successful, it could be the building block as to how we address the issue of

increasing income wage gap between non-graduates and graduates. I hope the pilot programme will succeed and we can extend this further to other industries.

Going upstream, I hope such integrators can be embedded in our Institutions of Higher Learning (IHLs). Apart from the main programme where our students may specialise in, flexibility could allow them to take up other modules of interest. These integrator-like modules could stack on top of their specialised course and this increases their employment opportunities and allows them to remain agile in a dynamic job space.

Sir, although the Budget this year does not mention mental health directly, it is clear that many of the announcements will positively impact our mental health.

For example, the enhancements to the GSTV scheme and Assurance Package will cushion the pressure of the cost of living. It covers not only the lower-income families but also the middle-income families and families that are much larger. This includes those with the elderly and children.

For the lower-income individuals and seniors who face difficulties with their medical bills, the MediFund would go a long way in ensuring a safety net for them.

But Sir, to me, the greatest positive impact is on families.

A family, the bedrock of society, is our source of love, support and strength. I am heartened that in this Budget, the anxieties and concerns held by young families are addressed.

First, supporting housing aspirations through the additional ballot for their BTO flat applications and the enhanced CPF housing grant. I know many of the young families welcome this. However, I also know that not all families are identical for various reasons and circumstances. For instance, more could be done to support single-parent households, who often face greater financial strain.

I received feedback from a single mother who shared her concerns about raising three school-going children and aspired to own her own flat. She shared that she had no CPF as she was not working previously but currently holds a good job and wants to be self-reliant.

Additionally, the Government could consider increasing support for families with children with disabilities or special needs. These families also face additional financial burdens due to the higher care and education costs. Collectively providing additional financial assistance and support services for these families would help ease their financial burden and improve their quality of life.

The second concern is the cost of raising children. I know many of my younger married colleagues welcome the many related announcements. This includes the Baby Bonus. But beyond the monetary support, the support for parents to manage their work and family commitment is, in my opinion, the most impactful.

Numerous studies have shown that the time spent with children is the best investment. While many factors contribute to a child's development and well-being, spending time with children has shown to have numerous positive outcomes. I spoke previously about the need for employers to be more compassionate to our workers and recognise that individuals' priorities vary at different stages of their lives and that work and life are interdependent but increasingly intertwined. Therefore, I am heartened that the Government will introduce the voluntary Tripartite Standard on Flexi-Work Arrangements and make these arrangements more pervasive.

At the same time, I urge employers to review their mental wellness programmes and consider providing workers with a time-out where they can unwind, recharge and be free from work emails, texts, or calls.

Sir, my final point is about workplace health.

Recently, there has been an alarming number of workplace accidents. MOM and the National Trades Union Congress (NTUC) have made efforts to foster a workplace safety and health culture. However, more must be done to support workers to ensure workplace safety and health.

I propose that the Government make it mandatory for every company to have a work-safety committee that includes a qualified union representative. These representatives know the ground well and they are familiar with the safety processes. The Government can incentivise companies to form these committees with union representatives through grants to foster work-safety culture and processes. Mr Speaker, in Malay, please.

(In Malay): [Please refer to [Vernacular Speech](#).] This year's Budget is a thoughtful and inclusive one. I support the Deputy Prime Minister's call to strengthen our social compact.

In my English speech earlier, I touched on three issues: Comprehensive support for workers, Education and Health. Allow me to summarise.

First, I urged that we provide more comprehensive support for workers, especially for healthcare sector workers and teachers. I called on the Government and employers to review workload and job scope to ensure quality work-life balance. These include setting clear guidelines on working hours and introducing WHITESPACE or time that is set aside specifically for workers to perform additional work or projects. As for education, I welcome the announcement to enhance the KidSTART programme nationwide.

This move demonstrates a strong commitment to combat inequality as early as possible and ensures that every child is given the opportunity to fulfil their potential. Although this year's Budget did not directly mention mental health, it is clear that this Budget will have a positive impact on mental health. For example, improvements to the GSTV Scheme and Assurance Package will reduce cost of living pressures. It covers not only low-income families but also middle-income families and large households.

For low-income individuals and senior citizens facing financial difficulties with their medical bills, MediFund will help and ensure that there is a safety net for them. For me, the biggest positive impact is on families. I am heartened that in this Budget, the concerns of young families can be addressed.

First, by supporting housing aspirations through additional ballots for BTO flat applications and by increasing the CPF Housing Grant.

Second, help for parents towards the cost of raising children, and support to manage work and family commitments.

I hope that young families will take advantage of the support and grants provided. I believe that, through this Budget, Singapore will emerge stronger in our effort to move forward in the new era.

(In English): Mr Deputy Speaker, in conclusion, the Budget is well-balanced and a well-conceived plan that addresses the country's immediate needs while investing in the future.

The focus on enhancing social safety nets, promoting economic growth and investing in the future will benefit Singaporeans from all walks of life. The support for vulnerable groups, particularly in the areas of education, young families and the elderly, is a testament to the Government's commitment in creating a more equitable and caring society. These measures will go a long way in reducing income inequality, improving access to healthcare and providing a more supportive environment for families.

Overall, the Budget is a positive step forward in the new era. Mr Deputy Speaker, I support the Budget.

Mr Deputy Speaker: Leader of the Opposition, you have a clarification for a Member?

7.02 pm

Mr Pritam Singh: No, Mr Deputy Speaker. Just a small technical clarification in my speech which I would like to clarify.

Mr Deputy Speaker: Your speech earlier today?

Mr Pritam Singh: That is right, Mr Deputy Speaker, Sir.

In my speech, I mentioned at the part on retirement adequacy, that the contribution of a member's Ordinary Account drops to 21% when a member returns 36 years of age and is gradually reduced in five-year intervals to reach only 12% when a member returns 56.

I got these figures from the latest CPF Annual Report which was tabled to Parliament on 27 June last year. It has been brought to my attention that in 2022 and 2023, the CPF allocation ratios actually have changed slightly. So, I think it is important that I put that on the record, and that the figures that I quoted were in reference to the Annual Report of the CPF of 2021.

But it still does not change my fundamental point which was to re-allocate early on in a member's working life.

Mr Deputy Speaker: So, it is a clarification in relation to your own speech.

Mr Pritam Singh: That is correct.

Mr Deputy Speaker: That you want to put on record.

Mr Pritam Singh: That is correct, Mr Deputy Speaker.

Mr Deputy Speaker: Mr Louis Ng.

7.04 pm

Mr Louis Ng Kok Kwang (Nee Soon): Sir, nurses are there for us in good times and bad times and I have seen first-hand the lifesaving work that nurses do for us.

There were there with me when my first child Ella was born, celebrating with us as we welcomed Ella into our lives. There were there with me when I said goodbye to my dad. I remember the nurse crying together with us as they processed the terminal discharge so we could fulfill my dad's wish of passing on at home.

Part of me was surprised that the nurse was crying. I thought they would be used to seeing patients come and go. But the nurses truly cared for daddy. He could not have been better cared for and I am very grateful for the nurses at SGH who made his final days more comfortable.

And nurses were there with me when we welcomed my twins Katie and Poppy into the world almost exactly six years ago. Actually, tomorrow, it is their birthday. It was both a happy and extremely worrying time as Katie and Poppy were born premature and spent 10 weeks at the Neonatal ICU (NICU) and High Dependency Ward at SGH. Doctors and nurses there saved their lives.

As I shared in my Adjournment Motion in 2017, "it was surreal sitting at the NICU, doing kangaroo care with my baby, singing to her while watching the mayhem in NICU. Watching the staff handle a never-ending arrival of pre-term babies and a never-ending chorus of alarm bells as babies stop breathing. The staff members handle each situation so professionally, so meticulously and with so much tender loving care."

I do not think we can thank nurses enough for the work they do for all of us.

Sir, in this year's Budget Statement, Deputy Prime Minister shared, "through our collective effort, we have found our way through this pandemic."

One group of workers who played an outsized role in helping Singapore find its way through the pandemic is our healthcare workers. I sincerely thank all of our healthcare workers – our nurses, doctors, therapists, pharmacists, TCM physicians, allied healthcare professionals and many, many more.

Today, I will focus my speech on nurses who form the largest proportion of our healthcare workforce. The reality is that, as most Singaporeans are celebrating the move to DORSCON Green, nurses would not have the chance to celebrate. Their workloads are heavy, their shifts are long and they get little time to rest. So many nurses have shared with me that nurses are resigning en masse. Attrition rates have gone up and I know the Government is aware of this problem.

I am glad that the Ministry of Health (MOH) has been reviewing the salaries and allowances of nurses and also announced a 2022 Nurse Special Payment package. These increases in pay are welcomed but do not go far enough.

Emily, a nurse, told me, "There is not enough trained people to handle the cases. Everyone is exhausted from the lack of staff, resignation rates. I have recently been attached to a few different hospitals and I see the same issue everywhere. Patient's safety is compromised and nurses are just burnt out. We are thankful that the Government has been increasing our pay and giving us special payments. But what I really, really want is more quality time with my family. Better shifts, better working hours."

I spoke with nurses across multiple dialogues last year and this year and collected their ideas in a public survey of 173 nurses.

Based on these consultations, I will raise three recommendations today: first, protect rest time for nurses between shifts; second, protect rest time for nurses during shifts; and third, provide more ancillary support staff for nurses.

My first recommendation is that we ensure that nurses have protected rest time between shifts. The first problem is that nurses often stay on average one to two hours after every shift to ensure that their work is complete. Working overtime is not uncommon. But for nurses on shift work with irregular hours, working overtime means that they lose precious hours of rest between shifts.

The second problem is that nurses often do a morning shift (AM) which starts at 8 am immediately after doing an afternoon shift (PM) the day before which ended at about 10 pm.

Some do this on consecutive days, so PM, AM, PM, AM and they call this the PAPA shift. They often get home at midnight, sleep for a short while before they wake up to prepare for the AM shift, which again starts at 8 am. Some nurses have shared with me that they work such punishing shifts almost every week or every other week.

One nurse shared with me, "As I am typing this message now, I am in the train, on my way back home. Will be doing morning shift tomorrow and that would mean about five hours of rest for me before my day starts again."

Constantly working overtime and four, five hours of sleep – how can that be enough sleep? We already know insufficient rest is dangerous.

That is why we have regulations in other industries setting basic requirements to manage fatigue. For example, we require flight crew members to get an equivalent amount of rest when they work 10 to 16 hours. If they work any longer, they must get at least 24 hours of rest. Can our nurses get the same level of protection as our air stewardess and stewards?

Many studies have been done on the importance of fatigue management in healthcare. A 2019 meta-study on fatigue in healthcare found that it increases error rates, slows reaction times, increases likelihood of accidents and injuries, and reduces motivation.

This is not just about nurse well-being but also about patient-safety. Our nurses have to make life and death decisions on every shift.

The Government cannot just leave this to the hospitals to manage and decide on their own. Fatigue affects the well-being of nurses and the health outcomes of patients. Will the Government look into regulations to address nurses' fatigue instead of leaving again these matters to hospitals to decide on their own?

This will also not be new for the Government. The Government has introduced regulations for the airline industry. The Ministry of Manpower (MOM)'s Workplace Safety and Health Council also has guidelines on fatigue management.

My second point is on protected rest time for nurses during their shifts. While they usually have a one-hour rest of rest time, many nurses have shared with me that they simply do not have enough manpower to rest for a full hour. So, they do not enough rest between shifts and even during shifts.

One nurse shared with me, "It is not uncommon for nurses to not have enough time to have toilet breaks because of the amount of things that come to us during the shift."

Of the nurses I surveyed, 90% shared that it is common for them to have to continue working during their rest break. They shared that they have to do so because of patient needs and administrative work.

Emily, the nurse, shared with me a day of work for nurses in her ward, "one junior takes care of and showers 16 patients. At the same time, we have to make sure they get their breakfast and lunch, while checking their vital signs twice per shift or according to their doctors' orders. We have to make sure every intake or output – drains, urine, motions – of every single patient is charted and diapers are changed."

She continues, "The nurse in charge will have to serve the medication. It is very common for patients to have more than 10 medications, be it IV, oral, pre-meals and post-meals. There are different timings for patients. We have to follow doctors' rounds, carry out orders, and make sure that the physiotherapist, occupational therapist, speech therapist and medical social worker have seen our patients. We have to do dressings and help the junior out."

At the end she said, "we hope we get to finish our report before the next shift comes so that we get to go home on time."

I was exhausted just from reading that.

MOH has shared that it is working closely with public healthcare institutions to shore up recruitment, for both local and foreign staff. However, time is needed to recruit and train nurses. Meanwhile, our nurses are on the brink of burn-out.

Concurrent with recruitment efforts for nurses, will the Ministry work with hospitals to ensure that the rest time of nurses during their shifts are protected? I understand that current realities of nursing means that there has to be some flexibility around rest times. But we must mandate some level of protection of rest.

Sir, I understand that the lack of adequate rest for nurses that I have raised is rooted in a lack of manpower which MOH is already looking into.

Of the nurses surveyed, nearly 80% felt that they were not able to focus on clinical care because of administrative duties that were much heavier than necessary. MOH is already looking into recruiting healthcare ancillary staff for non-clinical duties. But beyond non-clinical administrative duties, patients and next-of-kin also demand customer service from nurses. Seventy-seven percent of nurses surveyed felt that they cannot focus on clinical work because too much time is spent on providing customer service to patients.

One nurse commented that patients and families "want us to clean their surroundings for them, want us to heat up their food and water and even collect their food delivery orders."

Another nurse said, "Sometimes patients and relatives will tend to request for nurses to do unreasonable things like washing their underwear, buying food for them, fixing their spoiled charger/handphone. Even as simple as changing the channel of the TV, they will ask nurses to do it for them. Sometimes, patients and relatives treat nurses as their personal helper."

I understand that patients who are unwell and next-of-kin who are stressed understandably look to nurses for support. But the kind of customer service demanded by some patients and next-of-kin is a misuse of invaluable time and expertise of nurses who are already overworked. Yes, we can do a public education campaign on this, but nurses need us to do much more to help them.

Nurses shared with me that they appreciated the 900 Singapore Airlines cabin crew who were redeployed as Care Ambassadors during the height of COVID-19. These Care Ambassadors worked with nurses and doctors on non-clinical nursing tasks. More than 70% of nurses shared that the Care Ambassadors were helpful or very helpful in allowing them to focus on clinical care for patients.

A nurse said, "The Care Ambassador helped to offload some of the non-nursing work and allowed nurses to be more focused on caring for sick patients who need more attention. The Care Ambassador was able to spend time talking to patients, allay their anxiety and make them feel supported."

MOH has recognised that Care Ambassadors' service and communication instincts helped to alleviate the manpower tightness in healthcare institutions during the pandemic, allowing again nurses to focus on more complex clinical and care-related work.

Khoo Teck Puat Hospital (KTPH) has been working with SIA to train KTPH's new Patient Care Officers, a new role inspired by the Care Ambassadors. I hope MOH will consider studying and expanding KTPH's Patient Care Officers programme to other public hospitals. This will relieve the workload of nurses, enable them to deliver better patient care and ultimately reduce the attrition rate.

Finally, as we hire more support staff, the current one nurse to four to five patient ratio must be enforced. Many nurses were upset when we shared in this House that "The typical nurse-to-bed ratio for general wards in public acute hospitals is one nurse for every four or five beds." The reality on the ground is far, far from this typical ratio that MOH shared.

Nurses stressed to me that we should also ensure that the hiring of more ancillary healthcare workers or even Patient Care Officers should not affect the nurse-to-patient ratios. They need more nurses, not less.

Sir, let me conclude. It is good news that MOH has acknowledged the manpower needs in the nursing industry and is working on recruitment.

However, concurrent with shoring up recruitment, let us retain those already in the profession. To retain nurses, we of course have to ensure that salaries are competitive. But we must also go beyond the monetary.

The need for more rest is the recurring cry for help that I hear from nurses. Can we help our nurses have more rest by mandating protected rest time between shifts, providing strong protections for rest time during shifts, and hiring more support staff, including ancillary care staff and Patient Care Officers?

Nurses care for us and those who are dear to us. But the burden of that care is now too heavy for them. As one shared, "Our health and our relationship with our families are compromised. We are taking care of people when we can't even take good care of ourselves and our family."

I have been struck by how many nurses I talked to spoke of their love for the profession and their desire to serve, even as they talked about how exhausted they are.

Another nurse told me, "We are called back for overtime when staff is down, when we don't go to work because we are tired, the management counts the number of times and mentions it in our appraisal for not being a team player and marks us down for it. These are just sad realities. We end up feeling burnt out and essentially hating the very job that we started loving. People leave because they see no end to this dark tunnel."

I hope MOH can provide nurses with some light at the end of this dark tunnel and look into the three recommendations I have raised on their behalf.

Sir, during the pandemic, we clapped for our nurses as part of the Clap for #SGUnited campaign, to show appreciation for those on the front lines of the fight against the pandemic. As we transition out of the pandemic, the workload of nurses has not eased and they continue to be on the frontline when it comes to our health. There are there for us in good times and bad times and we need to be there for them now, to protect them and help them when they need us the most.

Mr Deputy Speaker: Mr Darryl David.

7.17 pm

Mr Darryl David (Ang Mo Kio): Mr Deputy Speaker, Sir, in the past three years, the cost of living has risen sharply and universally due to COVID-19 and the Russo-Ukraine conflict creating disruptions in production and in the supply chain. Singapore has registered a steady increase in core inflation throughout 2022, hitting almost a 14-year high in September with 5.3%. Inflation in food and services have also increased steadily, hitting 7.5% and 3.7% respectively in December 2022. Overall, core inflation for 2022 stood at 4.1% and headline inflation was at 6.1% – a significant increase from 2021 and before.

This has clearly had an impact on many Singaporeans and their families.

Interestingly, during the same period, we saw more super-rich families setting up family offices in Singapore to manage their wealth. At the end of 2022, Singapore had almost 700 family offices. This is almost double that of 2020. The number of ultra-high net worth individuals, defined as individuals with at least US\$30 million in investible assets, grew 8.6%, reaching 4,206 individuals in 2021, amongst which 28 are billionaires. The number of ultra-high net worth individuals in Singapore is projected to increase to about 6,000 by 2026.

Mr Deputy Speaker, I understand the need for these individuals and their funds here in Singapore. But taken together, one cannot help but express concern if our society will eventually become more stratified with the existence of two perceived "Singaporeans" – a Singapore that caters to the lifestyle and consumption demands of the wealthy and ultra-high net worth individuals; and another "Singapore" for everyone else. Such perceptions are potentially divisive and might fracture the social compact that the Government has painstakingly built with Singaporeans over generations.

Much of this perception perhaps comes from the ostentatious display of wealth by these ultra-high net worth individuals. While I believe that one should not hold anyone's wealth against them and each individual should be free to spend their money as they wish, I can also understand why conspicuous displays of wealth would not be well-received by many and could even lead to unhappiness and frustration and resentment amongst others.

I believe this is a risk that the present Government is aware of and this year's Budget sends a signal on how the wealthy can, and should, contribute more to our nation building.

The increase in consumption-based taxes such as higher Buyer's Stamp and Additional Conveyance Duties for Buyers of higher-value properties and higher marginal Additional Registration Fee for higher-end luxury cars will potentially increase the tax base from which the Government can affect social transfers from those who can afford it to those who need more help and support.

This approach is a balanced and fair one since a consumption-based tax that targets luxury consumption does not significantly alter Singapore's competitive corporate and personal income tax because these taxes kick in only when one purchases high-end luxury properties and cars.

Ultimately, the increase in consumption tax of these high-end luxury properties is unlikely to dampen the demands for them since they can be considered as Veblen goods, that is, the increase in tax might actually drive up the demand for such products as they are now regarded to be even more exclusive. This further increases the amount of tax that the Government can draw when the wealthy and ultra-high net worth individuals purchase them.

From those who have more to those who need more. I am personally heartened to know that the Singapore Government, has through this Budget, further strengthened its commitment to support the majority of Singaporeans, especially those who need an additional leg up.

The Enhanced GST Vouchers and the various support payouts under the Assurance Package will help to cushion some of the impact of the rising cost of living. While we can never fully mitigate the impact of the rising cost of living, especially when many of the factors that drive costs up are external to our shores, what we can do is to minimise or assuage the impact of the increased costs by providing targeted assistance.

I hope that the Government will continue to support the more vulnerable communities through direct assistance such as CDC vouchers and GSTVs, and also strengthen short term assistance such as ComCare vouchers and financial assistance through the Social Services Offices.

I would now like to speak about enhancing the roles of fathers and men in families.

As a father, I am heartened to learn that the Government has recommended an extension of paid paternity leave from the current mandated two weeks to four weeks. While the extension is presently still voluntary, this is nonetheless a step in the right direction.

At present, pro-family measures are mostly targeted at women, specifically, with tax incentives and support schemes for working mothers. In comparison, there are fewer schemes in place to encourage men and fathers to play a more active role in their families and in parenting. I would thus hope to see if more measures could be rolled out to support and enhance the role that men and fathers could play in their families over the course of their children's lives.

I would also like to ask if the Government can consider restructuring the present childcare leave structure so that parents are entitled to tiered childcare leave until their children turn 18.

At present, parents are entitled to six days of paid childcare leave until their youngest child turns seven years old. The first three days of leave are paid by employers, with the remaining three days paid by the Government, subjected to a cap of \$500 per day including CPF contributions.

Mr Deputy Speaker, Sir, the current childcare leave structure hinges on the assumption that children below the age of seven are more likely to require additional attention from their parents. I feel that we need to revisit this assumption. Any parent would tell you that a child above the age of seven requires differentiated, but no less attention, as children below the age of seven.

As parents, we want to be there for our children, and with our children when they celebrate major life events and milestones, or simply just to spend time with them as they journey through life. Speaking as a parent of a 15- and 12-year-old, I can tell you, Mr Deputy Speaker, and you might agree with me, that the journey only gets more challenging and intense after the age of seven.

As such, I would like to suggest that the Government consider providing at least three days of paid childcare leave for parents until their children turn 18 years old.

I have also spoken before about the platforms to support the mental health and well-being of men in one of my previous speeches. Making the same point, I hope that the Government can also better support men in their fatherhood journey and to enhance their roles as caregivers to complement the roles played by mothers.

Women are still naturally associated with being maternal and nurturing – terms that are still not naturally associated with men. These perceptions are quite gender stereotypical and frankly, might actually be unfairly burdening women and mothers with more societal responsibilities and expectations.

Can we not do more to encourage fathers to play a larger role in nurturing their children, being there for their families? Can MOE and MSF consider partnering NGOs like Dads for Life to conduct more workshops for fathers on parenting?

Similarly, can MOM consider how it could work with corporations and companies to support fathers? At present, more support could be given to fathers at work. Many companies have initiatives that celebrate motherhood and have HR schemes such as flexible work scheme or part time work arrangements for working mothers. Can we not do the same for fathers? For instance, can fathers take on part time work arrangements without having to fear that such arrangements would be held against them, thus allowing fathers to play a more effective familial role without sacrificing their careers?

In conclusion, Mr Deputy Speaker, I would like to touch on a final point on support for public housing.

While a significant portion of this Budget is focused on providing near term support, other measures such as parenting and pro-family measures are longer term focused. One of the most crucial lynchpins to promoting parenting and pro-family measures is of course, public housing.

Public housing matters have been hotly debated in this House at the recent parliamentary sessions, mostly debating on the affordability of HDB flats for young Singaporeans who wish to own their first flat.

Let us not also forget that there is another group of Singaporeans who also deserve housing support – mid-age Singaporeans with children. I hope that the Government does not forget this group and would like the Government to consider enhancing housing support for them, especially if they would like to purchase a resale flat in a mature estate to live close to their parents so they can form that extended, larger, familial support network.

In this regard, it is not just about getting support from their elderly parents to help with their own young children, but rather also to facilitating and supporting, helping their own elderly parents while managing their own young children.

I hope that the Government will consider granting families with children a percentage-based grant based on the price of a resale flat if they wish to purchase a flat in a matured estate as opposed to an absolute grant as presently structured.

A percentage-based grant will make resale housing more relatively affordable in mature estates and care more accessible for such families. It also would be a more equitable distribution of grants that are needs-based rather than one that is a standard amount.

Of course, caveats must be put in place to ensure that this system is not abused by those who choose mature estates for their own personal preferences albeit no familial ties in the estates. However, we must recognise that there also those whose elderly parents are living in mature estates where the prices of resale flats are high – what can we do to better support these buyers of resale flats in their desire to build and develop an extended family nucleus?

Mr Deputy Speaker, Sir, my clarifications and suggestions notwithstanding, I conclude my speech in firm support of the Budget.

Mr Deputy Speaker: Ms Joan Pereira.

7.28 pm

Ms Joan Pereira (Tanjong Pagar): Mr Deputy Speaker, Sir, the last three years had been tough for our people but we are finally riding out this storm. The full force of the crisis had been mitigated by decades of careful savings and implementation of sound measures. Thus, we all have to do our best to save where we can. This is necessary to prepare for potential future crises, whether they are triggered by geopolitical tensions, extreme weather conditions or any other causes.

Most importantly, we must stay united as a people. It is our unity which has enabled us to overcome the crisis together. On the ground, many individuals and groups had come together to help those most badly hit by the pandemic.

One of the first COVID-19 clusters was in my constituency in Henderson-Dawson. More specifically, it was at Bukit Merah View. Quite a few residents had to be quarantined, leaving young children and the elderly at home. My community centre coordinated home care, delivery of food and necessities to these households. I was heartened by organisations, volunteers, residents and grassroots leaders who stepped forward to help. There were also residents who donated money to their favourite hawkers whose livelihoods were hit hard by the COVID-19 restrictions. Youth and children pitched in, drawing cards to comfort those in hospitals who could not receive visitors.

How can we keep these relationships and networks warm so that we can tap on them should another crisis strike? Or rather, without the sensational nature of a crisis, how can we encourage more of us in the community to offer just that little bit of additional help and support to each other and lessen the burden together?

As expected, during a Budget debate, there will be many ideas put forth on how we can provide more support to Singaporeans and inevitably, that would mean we have to spend more. However, as fellow Singaporeans, we can all play our part to make this country a better place – and every little bit of effort counts. If everyone can chip in just a bit more in their own way, be it to look out for each other or to lend a helping hand and with some creativity, I am very sure we can bring about a better Singapore for all.

In addition to asking each other how much you are getting from this year's Budget, can we also ask ourselves how we can do more to look after our families, our friends, our neighbours and our fellow Singaporeans?

The COVID-19 cluster incident in my constituency proves that indeed, we have many willing helping hands in our community. What is needed is for all the stakeholders in an estate, in a community to be familiar with what to do in emergencies.

How can we set up and maintain crisis activation centres and keep the relationships among stakeholders, including residents, grassroots leaders, community organisations, places of worship and more, warm through regular bonding and training programmes?

We need more than Standard Operating Procedures (SOPs) for emergencies like fires, floods, power failures and such. When the representatives on the ground know one another, can put a face to a name, the effectiveness of crisis management will be higher, and in some emergencies, every minute counts.

In countries like Japan, where they are constantly threatened by earthquakes, regular drills with high participation rates are the norm. Beyond emergency preparedness exercises, our residents should know what to do when there is a fire, power or communications failure, flooding or more dramatic scenarios such as bomb threats or someone with a weapon on the loose.

We must co-create solutions in preparation for such threats.

The Government cannot do this alone. Thus, I was heartened to learn about the pilot Total Defence Community Table-top exercises where residents presented their suggestions on how to prepare for future crises. I support the decision to scale up this exercise so that more communities can participate as part of the SGSecure programme. Indeed, during times of peace, we need to practise and ensure that we are familiar with the essentials of coping in emergencies and life-saving skills.

I urge the Government to enhance the funding, support and resource allocation for crisis preparation among its agencies and on the ground. It is time for SGSecure to go beyond the threat of terrorism and to mean more than "Run, Hide, Tell" to our people. I hope that we can gather at least half of all Singaporeans to step forward to be trained in first aid, CPR, basic firefighting and other critical life-saving skills and to start training our younger generation in all these skills as well. Sir, in Mandarin.

(In Mandarin): [Please refer to [Vernacular Speech](#).] I urge the Government to enhance the funding, support and resource allocation for crisis preparation amongst its agencies and on the ground. It is time for SGSecure to go beyond the threat of terrorism, and to mean more than "Run, Hide, Tell" to our people.

I hope that we can gather at least half of all Singaporeans to step forward to be trained in things like First Aid, CPR, basic firefighting and other critical life-saving skills, and to start training our younger generation in all these skills as well.

(In English): As a multiracial, multi-religious society, we need to be extra vigilant to guard against attempts to strike at the fault lines in our society and to destabilise our community. It takes time and effort to understand and nurture bonds among people with different backgrounds, gradually building mutual trust and solidarity. Unity is only possible with these bonds and a willingness to place the interests of community above self, with the stronger helping the weaker.

Mr Deputy Speaker: Leader.

ADJOURNMENT OF DEBATE

7.36 pm

The Leader of the House (Ms Indranee Rajah): Mr Deputy Speaker, may I seek your consent to move that, "The debate be now adjourned."

Mr Deputy Speaker: I give my consent.

Ms Indranee Rajah: Mr Deputy Speaker, I beg to move that, "The debate be now adjourned."

Resolved, "That the debate be now adjourned." – [Ms Indranee Rajah].

Mr Deputy Speaker: Resumption of debate, what day?

Ms Indranee Rajah: Tomorrow, Sir.

Mr Deputy Speaker: So be it. Leader.

ADJOURNMENT MOTION

Ms Indranee Rajah: Mr Speaker, Sir, I beg to move, "That Parliament do now adjourn."

Question proposed.

IMPACT OF RELOCATING BUKIT VIEW PRIMARY SCHOOL

Mr Deputy Speaker: Mr Murali Pillai.

7.37 pm

Mr Murali Pillai (Bukit Batok): Mr Deputy Speaker, Sir, I wish to start by relating an incident that happened in my rookie year as a Member of Parliament.

I was having a cup of tea with hon Members at a table in the Members' Room. From the corner of my eye, I saw the Prime Minister entering the room and walking to us. I said to my Parliamentary colleagues, in what I thought was an undertone, "Boss coming."

After sitting down beside me, the Prime Minister turned to me and said, "I am not your boss."

Thinking back, what the Prime Minister said profoundly captures the essence of the relationship between backbencher Members of Parliament (MPs) of the governing party and the political office holders.

As MPs of the governing party, we are not subordinates of the Ministers. On the contrary, we have an important responsibility in scrutinising Government action and holding Ministers to account. It is worth reminding ourselves that structurally, we are independent and free to express our thoughts in this House on matters that affect our constituents and Singaporeans. The principle of collective responsibility that binds the Cabinet does not extend to backbenchers of the governing party.

Of course, we have to abide by the Whip in voting according to the party platform. That is a separate matter involving party discipline and that applies to Opposition MPs too.

My party colleagues and I in the backbench take this responsibility of holding Ministers to account seriously. We engage Ministers through correspondence, face-to-face meetings and party caucuses. We also do this through the Parliamentary processes, particularly by filing Parliamentary Questions and Motions. This provides an added advantage – the sunlight of scrutiny of Government action – something hon Members know I have advocated for in this House not too long ago.

There is therefore a healthy tension in the relationship between us. It is not at all personal.

On one hand, as MPs, we accord the Minister, his office and Ministry with respect. At the same time, the Minister takes our feedback seriously. He knows we cannot be browbeaten. He knows that we will not hesitate to pursue issues important to our constituents and fellow Singaporeans.

This is how we prevent groupthink and the creation of echo chambers within the PAP.

In short, we have backbone, we are independent, we strive to keep the Ministers on the straight and narrow. At the same time, we are fully responsible and accountable for our actions too. We reflect this reality in our daily interactions with all political office holders and civil servants.

I shall now discuss the Ministry of Education (MOE)'s decision announced on 9 February 2023 to relocate Bukit View Primary School (BVPS) to a place outside the constituency by January 2027.

Let me lay out the facts first. BVPS commenced operations in 1986. It provides essential primary school services to residents of Bukit Batok Single Member Constituency (SMC) and nearby constituencies.

Over more than three and a half decades, the school forged a close relationship with the Bukit Batok community. Senior community leaders and residents of Bukit Batok as well as former students serve in the School Advisory Committee (SAC). The community, through the SAC and grassroots organisations, gives tangible support to BVPS in the form of raising funds for the school's development plans, helping children from less privileged backgrounds and providing opportunities to school students to develop their character by participating in community assignments.

Its importance became more accentuated after the recent completion of BTO projects in its vicinity between 2017 and 2018. They are Skyline I and II and SkyPeak. These BTOs comprise about 2,700 units. That translates to about 10,000 people. The majority of these units are occupied by young couples and families with young children. In fact, BVPS was specifically used to advertise the desirability of these BTO units in HDB brochures.

Let me read out an excerpt from the brochure advertising Skyline I and II @ Bukit Batok. Under the header "Feel the Pulse of Vibrant Living", it is stated as follows, "Parents with school-going children will be delighted to find a good range of educational institutions in close proximity. These include Bukit View Primary."

I now go to the brochure advertising SkyPeak @ Bukit Batok. Under the header "Where Conveniences Abound", it is stated that "schools in the vicinity include Bukit View Primary."

BVPS also provided a photo for the brochure and was accredited for it.

On 18 May 2018, students and parents of BVPS were told that the school, which was originally scheduled for onsite upgrading, would instead be shifted temporarily to the former site of Shuqun Secondary School for two years from January 2020 to December 2021. This is to facilitate major upgrading works at the school.

This caused some concern amongst parents who had to make transport arrangements to shuttle their children to and fro the new site. Thankfully, with understanding from all sides concerned and arrangements such as school bus services at an attractive rate, the concerns were largely addressed.

In July 2019, MOE informed the students and parents of BVPS that as more time was required to enhance the design of the upgrading to allow for more efficient use of space and better traffic management, the BVPS upgrading plan would be delayed by one year. As a result, the move was postponed to January 2021 instead. The school was to return to the site by December 2022.

Around a year later, in 2020, the students and parents were told that the move will be delayed further by one year from January 2021 to January 2022 instead.

On 11 March 2021, whilst we were in the midst of the pandemic, BVPS informed its students and parents that the upgrading plan for BVPS, which was scheduled to begin in January 2022, has been put on hold.

By that time, the former Shuqun Secondary School site, which BVPS was supposed to move into, was used as a Regional Screening Centre. It remains as a Joint Testing and Vaccination Centre. It is therefore well known that the move cannot happen, owing to the effect of the pandemic.

They were also told as follows: (a) BVPS will be staying put; (b) MOE will be reviewing the project requirements further; and (c) pertinently, they will be kept informed on the review outcome once it is completed.

In a separate development, going back to around 2020, PCF Sparkletots @ SkyPeak, which is located near BVPS, was told that BVPS was to be designated as an MOE kindergarten from 1 January 2024. PCF was asked to partner the MOE Kindergarten at BVPS.

PCF expanded its infant care and childcare facilities so that it can provide a pipeline for enrolment at the MOE Kindergarten at BVPS. The expansion works were completed in or around 2021.

In November 2022, ECDA informed PCF that the partnership with the MOE Kindergarten at BVPS is delayed to 2027/2028.

I wish to add that news about the designation of BVPS as the site of an MOE Kindergarten percolated into the community. I personally spoke to two persons, Mdm Wendy Koh and Mr Dennis Chua, both residing at SkyPeak, on Monday this week. They told me that they were aware of this matter and had welcomed this development.

Against this backdrop, the Government's decision dated 9 February 2023 to relocate BVPS came like a bolt from the blue.

I spoke to BVPS' School Advisory Committee (SAC) Chairman, Mr Tommi Toh; Vice-Chairman, Mr Sonny Yuen as well as Mr Don Tay, an SAC member last week. They informed that the school told them the news about one hour before MOE went public.

Mr Tommi Toh, an old boy of the school who also got his two daughters to attend the same school, expressed that he was "shocked" by the decision. He felt that the SAC should have been consulted and its views solicited as a key stakeholder. Mr Don Tay felt the same way and informed that he does not fault the principal of the school as she told him she too got to know of the decision without much prior notice. I learnt about the matter on the same day of the announcement.

So, my first question to the hon Minister is simply this. Against the backdrop of the facts I outlined, why was there no consultation? We are not dealing with an urgent matter that requires decisive action such as defending the Singapore dollar. We are not also dealing with a market sensitive matter such as increasing stamp duty when buying properties.

On the contrary, we are dealing with a decision to withdraw essential educational services from a neighbourhood. Surely, there should be consultation amongst the affected residents, parents, SAC members and other stakeholders? This was the point that several residents made to me.

Mr Jeremy Ng and his wife are a young couple. They reside at SkyPeak. They moved in around 2018. They are trying to have children. They also have a five-year-old nephew whom they are taking care of. Their decision to purchase a unit at SkyPeak was influenced by the fact that there will be primary school services within walking distance. This was what was represented in the HDB brochures.

One of the schools in the vicinity, Keming Primary School, is perpetually full by Phase 2C. Hence BVPS provides an important assurance that they will be able to secure a primary school place within walking distance from their home.

Another person, Mdm Linda Chong, also a SkyPeak resident, has two children, aged 19 months and five years respectively. Her elder child was born in the same year that she moved into SkyPeak; 2018. She is naturally concerned about the lack of MOE Kindergarten and primary school facilities within walking distance once BVPS moves out.

In fact, I wonder if the hon Minister's attention was drawn to the representations made in the HDB brochures, ECDA's communication about PCF @ Sparkletots partnering the MOE Kindergarten at BVPS as well as prior communication to the parents at the time when the decision to relocate BVPS was made? If not, this is precisely why a consultation with stakeholders would have helped.

In comparison, I note from a Mothership article dated 10 February 2023 that the Government was in consultation with ACS' board of governors for a year before the announcement to move ACS Primary to Tengah was announced also on 9 February 2023. I appreciate that there are differences in the details of the two moves, but both are relocations of schools which are important community nodes.

My second question is why were there so many flip-flops on what to do with BVPS within a short span of time even accounting for the effect of the pandemic? Respectfully, it does not give people confidence that MOE is on top of the matter and has made proper plans for the future.

Such relocations, when not given proper notice, causes real hardship to families. This point was raised to me by Mr Nazri, whom I met at a house visit just last week. He and his wife have two children. The elder child, a daughter, is in Primary 1 at BVPS. They had originally attempted to get a place for her at Princess Elizabeth Primary School (PEPS).

The hon Minister would know that the local demand for Primary 1 places at PEPS had shot up significantly after the completion of housing developments in a neighbouring constituency. It is not surprising therefore that they failed to be balloted a place at PEPS even though they were living close by. They therefore enrolled her in BVPS which was about 1.5 kilometres away. Fortunately, Mrs Nazri's mother is living nearby and therefore is able to take care of his daughter whilst he and his wife are working.

By 2027, however, when the school is due to move to a new site which is at least two kilometres away, she will be in Primary 5. Both Mr and Mrs Nazri are concerned that the move will further inconvenience them. I fully appreciate their angst.

My third and final question is, having withdrawn essential primary school services, what is the Government's plan to support affected children and parents in Bukit Batok SMC? In this regard, I highlight again that within the past five years, there are three completed BTO developments in Bukit Batok SMC. This shows there is and continues to be demand for Primary 1 places in this constituency.

To underscore this point, I wish to point out that PEPS and Keming Primary School, the two primary schools that are close to Bukit Batok residents, are perpetually oversubscribed for Primary 1 places for a number of years now. BVPS therefore continues to provide an essential service to Bukit Batok, which is appreciated by all.

There is also an impact posed by the reversal of a decision to operate an MOE kindergarten at the BVPS site. What is the alternative for affected families?

I say all this, not because I disagree with the decision per se, or as a petulant response to a lack of consultation. If I, the SAC members, affected residents and parents had nothing of value to add, if a discussion would have yielded no additional insights, if there were no people who acted in reliance of certain facts which are now changed, if all these were the case, it is perfectly fine that we learn of this ex post facto.

I wonder though whether this is the position that the hon Minister takes. I look forward to hearing from him.

Mr Deputy Speaker: Minister of State Gan.

7.52 pm

The Minister of State for Education (Ms Gan Siow Huang): Mr Deputy Speaker, let me start by thanking colleagues in this House, including Mr Murali, for the support to schools and students in their wards. Many of you also share useful feedback to MOE on school-related matters which we take seriously and try our best to address.

MOE regularly reviews the demand and supply trends for school places at the national and regional levels. Our school planning takes into account current and projected populations, as well as planned housing programmes to ensure that there are sufficient school places to meet the needs of school-going children in each area.

Because of parental preferences, some schools may see demand consistently exceeding the available vacancies, whereas there could be some schools in the same area which have vacancies. On the whole, our Primary 1 admission exercise has consistently enabled about 98% of Singaporean children to get into a Primary school of their choice or within two kilometres of their residence.

Let me talk specifically about Bukit Batok. Like other towns, MOE planned school places in Bukit Batok on the basis of current and known housing developments and these are updated regularly. MOE's decision to relocate Bukit View Primary School (BVPS) from Bukit Batok East to a new site in Bukit Batok West in 2027 is to address the changes in the population spread and demand for primary school places within Bukit Batok as a region. Let me elaborate.

Demand for school places in Bukit Batok East where BVPS is currently located has been falling and will continue to fall as the estate matures. Three years ago, in 2020, Bukit Batok East accounted for 45% of the total Bukit Batok demand for Primary 1 places. This has dropped to 38% in 2023 and is projected to slide further to 20% or so in 2030, even after accounting for the recently completed BTOs that Mr Murali mentioned.

On the other hand, Bukit Batok West has seen a steadily growing demand for school places as a result of several more new BTOs. And for the whole of Bukit Batok, the total Primary 1 demand in Bukit Batok remains roughly the same over the medium to long term. This means that Bukit Batok as a whole, for this area, MOE does not need more new primary schools. But we have to take a careful look at where they are located as the weight of demand shifts from Bukit Batok East to Bukit Batok West and the new Tengah Town.

As such, in our most recent review in 2021, we re-assessed our earlier decision to upgrade BVPS at its current location in Bukit Batok East. Based on that review, MOE decided that it would be better to relocate BVPS to a new and bigger campus in Bukit Batok West two kilometres away, to meet the growing demand for Primary 1 places in Bukit Batok West and the adjacent Tengah Town. The new campus will have more and updated facilities to better support our students. This bigger campus will comfortably allow us to expand BVPS' intake by one Primary 1 class per cohort, in addition to its current eight Primary 1 classes and this will give us flexibility to meet short-term surges in the demand if required.

Mr Murali has raised concerns over possible localised shortage of Primary 1 places when BVPS moves out. In particular, he is concerned over the demand from recent BTO projects namely Skyline, Sky Peak and Sky Vista. We have estimated that these BTOs would not reverse the overall declining demand in Bukit Batok East due to the ageing profile of the other households in the area. When BVPS relocates to its new campus, there will be sufficient school places for Mr Murali's residents, in two other primary schools – Keming Primary School, Lianhua Primary School – and other nearby schools like Dazhong Primary School and St Anthony's Primary School. There are altogether six primary schools in Bukit Batok.

For the benefit of Members in the Chamber who are not familiar with the area, BVPS, Keming Primary School and Lianhua Primary School are within close proximity of one another. So, what we are essentially planning to do is relocate one of them from Bukit Batok East to Bukit Batok West where there will be higher demand for primary school places in the future.

Let me now explain how we will smoothen the relocation of BVPS to its new campus two kilometres away in 2027. MOE has done similar relocations over the years. One recent example is in 2022, for Angsana Primary School, where all students moved to a new campus also about two kilometres away within Tampines town.

Using the “lift and shift” method, we kept the school intact, ensured all students benefited from the new facilities at the new campus and provided a sense of continuity for the students and teachers. BVPS will adopt this similar approach, which is the preferred approach, when the relocation is over a relatively short distance.

All of BVPS’ students currently in Primary 3 and above would not be affected by the move. For the current Primary 1 and Primary 2 students, MOE has consulted the school leaders on measures to minimise inconvenience to those affected by the relocation.

About 40% of the current Primary 1 and 2 students live in Bukit Batok West. The relocation there will benefit them. BVPS’ subsequent new Primary 1 cohorts would likely have even higher proportions staying in Bukit Batok West.

For current BVPS students who live in Bukit Batok East, the school will consider providing bus shuttle service for those who stay within walking distance from its current campus if there is sufficient demand.

I hope the affected parents will give the school time and their support to work through these measures. Where necessary, MOE will also give additional resources to the school leaders to make the transition arrangements.

We appreciate that any change of plans, including for BVPS, could be disruptive and maybe even disappointing to some quarters. In addition, for the local community and for Mr Murali, MOE fully understands that BVPS has been a part of the community for decades. We would like to assure Mr Murali that MOE does not take lightly a relocation decision unless we are convinced this is in the best interest of our current and future students.

This was why MOE had previously contemplated keeping BVPS at its current site with an upgrading plan for the school and had conveyed as such to Mr Murali. However, in the latest review, and with greater clarity over the medium- to long-term housing and demographic trends in Bukit Batok, MOE had to refresh our plans that would serve Bukit Batok residents and their children better overall.

That is why in March 2021, Mr Murali and the parents of the students in BVPS were informed that the upgrading of BVPS had been put on hold, as MOE would be reviewing the project requirements further. Mr Murali is right that MOE had changed our plans. But we believe this change of plans for BVPS would be the better outcome for Bukit Batok residents come 2027 – and even more so beyond 2027.

Mr Murali has asked MOE why he was not informed early of MOE’s change of plan for BVPS after our internal review. I would like to explain that for sensitive decisions to re-locate or merge schools, including those with property market sensitivities, MOE has to keep external consultations tight to key stakeholders. In the case of the relocation of ACS (Primary) to Tengah, selected members of their Board of Governors had to be consulted as it involved land owned by the Methodist Church.

Once MOE has arrived at a decision, we will strive to put in transition arrangements as early and as thoroughly as possible to mitigate any local impact.

For the case of BVPS, as with other relocations, MOE would communicate the decision and considerations to the local advisor at the appropriate opportunity.

Mr Murali also raised concerns over how the change in plan for a possible MOE Kindergarten (MK) at BVPS would affect residents in Bukit Batok SMC. MOE works closely with the Early Childhood Development Agency (ECDA) to facilitate ECDA’s overall planning of preschool facilities to meet the needs of every community. We have been updating ECDA regularly on our MK plans, including our earlier decision to put on hold the upgrading of BVPS.

Mr Deputy Speaker, MOE’s plan to relocate BVPS from Bukit Batok East to Bukit Batok West is essentially to better meet the needs of residents overall in the Bukit Batok area in the long term. I would like to thank Mr Murali for working with MOE over the years to support BVPS and all the schools in the constituency. We would also like to thank Mr Murali for his sincere efforts to regularly communicate with MOE and representing the interests of the residents in his area.

8.03 pm

Mr Deputy Speaker: An Adjournment Motion’s allocation is 30 minutes. If the 30 minutes is not up, a Member can seek clarification on the reply. There are five more minutes. Does the Member have any clarification?

Mr Murali Pillai: No.

Mr Deputy Speaker: That being so, I shall put the question.

Question put, and agreed to.

Resolved, “That Parliament do now adjourn.”

Adjourned accordingly at 8.03 pm.

WRITTEN ANSWERS TO QUESTIONS FOR ORAL ANSWER NOT ANSWERED BY END OF QUESTION TIME

SIZE OF JOB MARKET FOR INFORMATION AND COMMUNICATIONS SECTOR

8 **Mr Gerald Giam Yean Song** asked the Minister for Manpower (a) whether the job market in the information and communications sector is shrinking; and (b) if so, whether the Ministry has correspondingly reduced the number of employment passes and S-passes issued to foreigners seeking jobs in this sector.

Dr Tan See Leng: In the last few months, there have been several Parliamentary Questions filed by Members regarding retrenchments by tech companies. Recent news about retrenchments by big tech companies has understandably caused some concerns on the outlook of the Information & Communications (I&C) sector. The Ministry of Manpower (MOM) is closely monitoring the situation.

Based on the latest available data as of September 2022, total employment in the I&C sector grew by 13,700 in the first three quarters of 2022. The number of job vacancies in the I&C sector at 9,300 in September 2022 was also higher than that observed in the same period in 2021.

However, global headwinds may weigh on labour demand in the near term and we expect to see a dampening in hiring demand and a slower increase in total employment in Q4 2022.

Even so, we remain cautiously optimistic about the long-term prospects of the I&C sector as tech firms continue to pursue opportunities in Southeast Asia's growing digital economy from Singapore. Tech skills also continue to be in high demand both within and beyond the I&C sector as the pace of digitalisation accelerates across our economy.

That said, I will address the second part of the Member's query, which suggests that MOM should reduce the number of Employment Passes (EPs) or S Passes issued in the event the I&C sector shrinks.

Singapore's economy is open and connected. It is only natural that changes in external demand in the global economy have an impact on our companies, and on our job market. We have designed our policies to safeguard good local employment outcomes across the business cycle. When it comes to our foreign workforce policies, MOM has set a quality benchmark for EP and S Pass holders to be pegged to the top one-third of local Professionals, Managers, Executives and Technicians (PMETs) and Associate Professionals and Technicians (APTs) respectively. This ensures that firms do not turn to cheaper options as a first resort, to ride out a business downturn.

Firms are also incentivised to hire and retain locals. Specifically, with the upcoming introduction of the Complementarity Assessment Framework (COMPASS) at the EP level, firms with a low local PMET share relative to industry peers will score fewer points on COMPASS and will face a harder time getting the points required for their EP applications. For the S Pass, we have in place the S Pass sub-Dependency Ratio Ceiling (DRC), or quota. This quota is calculated based on a firm's total workforce, including how many locals the firm hires. Hence, should the firm's total workforce fall when locals are amongst those retrenched, the S Pass quota available to the firm would decrease and the firm will not be able to hire as many S Pass holders as before. Finally, under the Fair Consideration Framework, employers are also required to advertise on MyCareersFuture and fairly consider all candidates for the job, before submitting an application for an EP or S Pass holder.

Our foreign workforce policies are complemented by other measures to ensure local employment outcomes are safeguarded during downturns. For instance, the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment (TAMEM) provides guidance to companies on managing excess manpower. Retrenchments should be a last resort, and selection of employees to be retrenched should be based on objective criteria with primary considerations given to employee merit and preserving skills to ensure business sustainability. Employers should also take a long-term view of their manpower needs, including the need to maintain a strong Singaporean core. This means that retrenchments should generally not result in a reduced proportion of local employees.

In summary, MOM does not and should not micro-manage how the job market functions by directly and arbitrarily adjusting the number of EPs and S Passes issued in response to business fluctuations. Adopting such a protectionist measure would cause significant business uncertainty, and undermine Singapore's reputation as a transparent, competitive, and reliable location for businesses. It would go against how we have thrived over the decades by being an open economy and a business hub. Instead, we have a comprehensive suite of measures in place that allows us to attract more investments, and grow the pie to create many more good jobs and career choices for Singaporeans.

PROPORTION OF PUBLIC SERVICE AGENCIES THAT PROVIDE UNPAID LEAVE FOR PARENTS WITH MULTIPLE OR PRE-TERM BABIES

9 **Mr Louis Ng Kok Kwang** asked the Prime Minister (a) what is the number and percentage of public service agencies that provide unpaid leave for parents with multiple or pre-term babies; (b) what is the take-up rate of such leave for each year in the past five years; and (c) if data on the take-up rate has not been collected, whether the Prime Minister's Office will start collecting this data.

Mr Chan Chun Sing (for the Prime Minister): In line with the Tripartite Standard on Unpaid Leave for Unexpected Care Needs, all Ministries and Statutory Boards provide for officers with a child who is born pre-term, or as part of multiple births, or with medical conditions, to apply up to four weeks of unpaid leave per year, before their children turn two.

In the past five years, an average of 25 officers in the Civil Service utilised this leave provision each year.

FURTHER ACTIONS ON SPH MEDIA TRUST'S INCORRECT CIRCULATION NUMBERS

10 **Mr Gerald Giam Yean Song** asked the Minister for Communications and Information regarding the further investigations into the discrepancy in circulation figures by SPH Media Trust's Audit and Risk Committee (a) whether the Ministry will be asking the Committee to share its full investigation report with the public; and (b) when is the report expected to be completed and released.

Mrs Josephine Teo: During the Parliament Sitting of 6 February 2023, I set out the Government's considerations regarding SPH Media Trust's (SMT) investigations. The events in question took place before SMT was formed and before the Government provided funding to SMT. I also explained that the findings of SMT's internal review of circulation data from September 2020 to March 2022 had no bearing on public funds, as the data was not used to decide if and how much to fund.

With no direct impact to public funding, the decision on whether to share its full investigation report with the public resides with SMT, which has its own executive team and Board. As I had stated in my reply on 6 February, MCI expects SMT to be mindful of their responsibility to maintain the public's trust in their newsrooms and journalists, and do what is needed to meet its obligations.

On when the report is expected to be completed, SMT's Audit and Risk Committee should be provided adequate time for a thorough investigation. They can only make that determination based on their findings.

WRITTEN ANSWERS TO QUESTIONS

FLEXIBILITY TO SPEND COMMUNITY DEVELOPMENT COUNCIL VOUCHERS AT SMALL BUSINESSES

1 **Mr Leong Mun Wai** asked the Deputy Prime Minister and Minister for Finance why is flexibility not being given to Singaporeans to spend the \$150 Community Development Council vouchers for supermarkets at small businesses that may benefit more from the increased expenditure by households than the large supermarket chains.

Mr Lawrence Wong: Since December 2021, the Government has disbursed three tranches of the digital CDC Vouchers to help Singaporean households with their daily expenses. The first two tranches of \$100 each were restricted to participating heartland merchants and hawkers, precisely to support heartland businesses during the COVID-19 pandemic.

Since then, however, there have been many requests from Singaporeans for their CDC Vouchers to be used at supermarkets. Hence we split the coverage of the third tranche of vouchers in January 2023 equally between supermarkets and heartland businesses, to better meet the needs of Singaporean families.

The third tranche of CDC Vouchers are valid till the end of the year, but the data to date indicates that utilisation of the supermarket vouchers is higher than the vouchers for heartland businesses. In fact, there have also been requests from members of the public to allow flexibility for their unused vouchers for heartland businesses to be extended to supermarkets.

For now, we will continue to maintain the parameters of the scheme. We will review from this experience what we might do for the fourth tranche of CDC Vouchers due in January next year.

FIRE INCIDENTS RELATED TO KITCHEN EXHAUST DUCTS IN FOOD AND BEVERAGE ESTABLISHMENTS

2 **Mr Zhulkarnain Abdul Rahim** asked the Minister for Home Affairs (a) in the past five years, how many fire incidents relate to kitchen exhaust ducts (KED) in food and beverage establishments like coffeeshops or hawker stalls; and (b) for such cases, what is the average prior duration when such KED was last cleaned or maintained by the operators or owners.

Mr K Shanmugam: From 2018 to 2022, there were a total of 60 fires involving kitchen exhaust ducts in food and beverage establishments. The average duration between the fire incidents and when these ducts were last cleaned and maintained prior to the fire incidents is five months.

EMERGENCY RESPONSE CASES REPORTED OR ATTENDED THROUGH MYRESPONDER APP AND PLANS TO INCREASE APP SUBSCRIPTION

3 **Mr Zhulkarnain Abdul Rahim** asked the Minister for Home Affairs (a) for the past five years, how many emergency response cases have been reported or attended to by members of the public through the myResponder App, broken down to the most common types of incidents; and (b) what are the plans to increase the subscribers to the App and build capability for the public's emergency response especially for those incidents commonly reported.

Mr K Shanmugam: The myResponder app allows members of the public to register as Community First Responders (CFRs), and alerts them to cardiac arrest cases or minor fires, within 400 metres of their location. This enables these cases to be attended to quickly by CFRs, thereby improving cardiac arrest survival rates as well as allowing minor fires to be extinguished within the first few critical minutes.

Between 2018 and 2022, CFRs attended to 7,670 cases through the app. Out of the 7,670 cases, 4,525 were cardiac arrest cases, and 3,145 were minor fire cases.

The app also has a 995 emergency call widget which allows users to report emergency cases. However, all calls made via the 995 widget in the app will be received as normal 995 calls at the Singapore Civil Defence Force (SCDF) Operations Centre. SCDF does not distinguish whether the calls were made from the app, or via the 995 emergency hotline.

To increase subscribers to the app and grow the pool of CFRs, SCDF leverages various community touchpoints. These include events such as the Fire Station Open Houses and Community Resilience Days organised by SCDF, programmes under the SGSecure movement, as well as events jointly organised with the Community Emergency and Engagement Committees in the residential heartlands. At these events, the public can learn skills such as cardiopulmonary resuscitation (CPR), use of the Automated External Defibrillator (AED),

firefighting, and first aid. The public can also sign up for the SCDF's Community Emergency Preparedness Programme conducted at the four SCDF Division headquarters. SCDF will encourage participants in these events and programmes to download the app and register as a CFR.

To further build capability for the public's emergency response, SCDF has been working with partners to increase the availability of AEDs and fire extinguishers in the community. Under the Save-A-Life initiative, SCDF has to date installed over 5,100 AEDs at the lift lobbies of HDB flats and private condominiums. SCDF will continue to work with the People's Association and NParks to expand this to even more condominiums, parks, and more public and private establishments. By end 2025, SCDF's target is to have one AED within a 250-metre reach in urban areas. For fire extinguishers, over the next five years, SCDF will work with HDB, Town Councils and Temasek Foundation to install one fire extinguisher at the lift lobby for every two HDB blocks.

SCDF has also implemented the AED-on-Wheels Programme to tap on vehicle fleets of external organisations, and build a roving network of CFRs who are both trained in CPR-AED procedures and equipped with an AED to respond to an emergency. Since the programme's launch in 2015, SCDF has equipped 260 vehicles from four organisations – Strides, Grab, Comfort Delgro, and NinjaVan – with AEDs. We separately have 50 CFRs who are carrying AEDs on their own vehicles. This year, SingPost will be joining the AED-on-Wheels Programme, which will add another 25 vehicles to the network.

REVIEW OF CORRUPTION, DRUG TRAFFICKING AND OTHER SERIOUS CRIMES (CONFISCATION OF BENEFITS) ACT 1992 TO REFLECT LOWER LEVELS OF CULPABILITY FOR OFFENCES RELATED TO MULE ACCOUNTS FOR SCAMS

4 **Mr Christopher de Souza** asked the Minister for Home Affairs how is the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 being reviewed to reflect lower levels of culpability needed to prove intention for offences related to mule accounts for scams.

Mr K Shanmugam: For successful conviction under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 (CDSA), the prosecution has to prove that the money mule had knowledge or reasonable grounds to believe that the monies transacted through his or her bank account are linked to criminal activity.

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.

The Ministry of Home Affairs is therefore looking to introduce new provisions in the CDSA, to make it easier to make out money laundering offences in such scam cases.

We will provide more information when ready.

DATA ON SCAMS REPORTED IN 2022

5 **Mr Christopher de Souza** asked the Minister for Home Affairs (a) whether he can provide an update on the number of scams in Singapore that are reported in 2022; (b) what means were the scams operated through; and (c) what are the age demographics of the victims.

Mr K Shanmugam: The Member may refer to the Singapore Police Force's (SPF) Annual Scams and Cybercrimes Brief 2022, which was published on SPF's website on 8 February 2023.

CASES OF INDIVIDUALS WHO DO NOT AFFIX NEW ADDRESS LABELS TO THEIR IDENTITY CARDS

6 **Mr Gerald Giam Yean Song** asked the Minister for Home Affairs (a) whether the Ministry is aware of individuals registering a change of address with ICA after moving house but continuing to use the address imprinted on their NRIC without affixing the sticker containing their new address on the back of their NRIC for nefarious purposes such as taking out loans with illegal moneylenders; and (b) what measures the Ministry plans to take to detect and prevent fraud of this nature in order to protect the new occupants of the address.

Mr K Shanmugam: Under Regulation 11A of the National Registration Regulations, individuals who have received a new address label have to affix it on the identity card as soon as practicable. Those who fail to comply may be liable for a fine of up to \$3,000, or imprisonment for up to two years, or both.

Individuals who use an outdated address on their identity card to deceive others, or fraudulently or dishonestly induce them to do something which they otherwise would not have done, may be liable for the offence of Cheating under the Penal Code. If found guilty, they may be punished with imprisonment for up to three years, or a fine, or both. Those who furnish false contact information, including one's residential address, to an unlicensed moneylender, may be liable for an offence under Section 50 of the Moneylenders Act. Upon conviction, they may be liable for imprisonment for up to 12 months.

Those who suspect their address is being misused should make a report to the Immigration & Checkpoints Authority or the Police for investigation.

TRAINING FOR OPERATORS AND OWNERS OF COFFEE SHOPS AND HAWKER STALLS ON CLEANING AND MAINTENANCE OF KITCHEN EXHAUST DUCTS

7 **Mr Zhulkarnain Abdul Rahim** asked the Minister for Sustainability and the Environment whether NEA will consider requiring operators and owners of coffeeshops and hawker stalls to conduct cleaning and maintenance of the kitchen exhaust ducts at least twice a year especially for stalls with heavy cooking.

Ms Grace Fu Hai Yien: Under the Environmental Public Health (Food Hygiene) Regulations administered by the Singapore Food Agency (SFA), all foodshop and foodstall operators are required to ensure that kitchen exhaust ducts of their licensed premises are kept clean, properly maintained and in good working order.

SFA conducts inspections regularly and takes enforcement action against cases of non-compliance.

PLANS TO EXPEDITE CONSTRUCTION OF HAWKER CENTRES IN CONSTITUENCIES WITH NO HAWKER CENTRE

8 **Mr Zhulkarnain Abdul Rahim** asked the Minister for Sustainability and the Environment whether there are plans to prioritise and expedite the construction of hawker centres in constituencies where there is no hawker centre.

Ms Grace Fu Hai Yien: The Government had in 2011 and 2015 announced plans to build 20 new hawker centres in total. The sites of new hawker centres are selected after careful consideration of residential catchments, availability of comparable F&B options and complementary facilities in the vicinity, and compatibility with adjacent land use. This is to ensure that the hawker centre serves the demand of residents in the vicinity while avoiding over competition among comparable F&B establishments.

11 new centres have since been opened, with the latest being Bukit Canberra Hawker Centre, which was opened in December 2022. The remaining nine new hawker centres will be located within integrated developments, which are at various stages of planning, design development and construction. The completion and opening of these nine hawker centres depend on the progress of the integrated developments. The National Environment Agency will continue to work closely with the lead agencies of the integrated developments and the agencies in-charge of other co-located facilities towards completing the hawker centres in a timely manner.

IMPACT TO ENVIRONMENT FROM USE OF BIODEGRADABLE PLASTICS VERSUS CONVENTIONAL TYPES OF PLASTICS

9 **Mr Yip Hon Weng** asked the Minister for Sustainability and the Environment (a) whether there are on-going assessments on the possible impact to the environment between the use of biodegradable plastics and the conventional types of plastics in Singapore; (b) whether there is a plan to encourage the use of biodegradable plastics as part of our sustainability goals; and (c) If not, what are the underlying reasons for this stance.

Ms Grace Fu Hai Yien: In 2018, the National Environment Agency released the key findings of a lifecycle assessment study on carrier bags and food packaging in Singapore. The study showed that all materials, including biodegradable ones, imposed some environmental impacts throughout their lifecycles. For instance, more water is consumed over the lifecycle of plant-based biodegradable plastic bags, such as in the growing of their raw materials, than for conventional plastics.

Biodegradable plastics may offer some environmental benefit in countries which landfill their waste directly, as biodegradable plastics may break down faster than conventional plastics. However, as all incinerable waste in Singapore, including plastic waste, is not landfilled directly but is either recycled or properly disposed of at waste-to-energy plants, biodegradable packaging does not offer the same incremental benefit in Singapore. Biodegradable plastics could even interfere with the recycling process when mixed with conventional plastic. Therefore, encouraging a switch from conventional plastics to biodegradable materials will not necessarily result in a better environmental outcome overall for Singapore.

A more sustainable approach for Singapore is to reduce the use of all disposables regardless of material and encourage the use of reusables. We are doing this through public education and engagement, and regulatory measures.

UPDATE ON REVIEW OF REGULATIONS AND SERVICES STANDARDS IN FUNERAL SERVICES INDUSTRY

10 **Mr Yip Hon Weng** asked the Minister for Sustainability and the Environment (a) whether he can provide an update on the status of the landscape study being conducted on the funeral services industry; (b) what is the timeline for further updates on the proposed steps and regulations aimed at improving service standards in the industry; and (c) given the demographic challenges posed by an ageing population, what actions is the Ministry taking to expedite the results of the study and the implementation of related policies.

Ms Grace Fu Hai Yien: The Funerary Industry Landscape Study commissioned by the National Environment Agency (NEA) was completed in 2022. NEA is reviewing the study report and will share the key findings and recommendations with key stakeholders, when ready. The outcomes of the study will enable NEA to better engage and collaborate with the Association of Funeral Directors Singapore and the funeral industry on initiatives to uplift the industry standards.

TRACKING VACANCIES, NUMBER OF APPLICANTS AND WAIT TIME FOR PLACES IN SPECIAL EDUCATION SCHOOLS

11 **Mr Zhulkarnain Abdul Rahim** asked the Minister for Education (a) whether the Ministry tracks the available vacancies and number of applicants waiting to enrol in Special Education schools; (b) if so, what is the current (i) total number on the waiting list and (ii) average wait before enrolment; and (c) whether there are plans for more of such schools in the South West district of Singapore.

Mr Chan Chun Sing: There are currently 22 Special Education (SPED) schools that cater to different profiles. The Ministry of Education (MOE) regularly reviews the demand for SPED school places and works with Social Service Agencies to provide sufficient capacity to cater to the needs of specific student profiles. Most applicants have a confirmed place within three months of submitting an application. However, the processing time can extend to six months if more assessment by professionals is required.

Some families choose to waitlist their child at a specific SPED school because of parental choice for certain schools or home-school proximity. To safeguard the educational interest of these children, MOE will engage parents to consider placing their child in other suitable schools in the interim.

The number of students with Special Educational Needs is expected to grow over the next few years. To meet projected demand, there are plans to have an additional six schools, i.e. 28 SPED schools by the 2030s. In the South West district, there are currently four SPED schools, and following MOE's recently announced plans, there will be five SPED schools in the district ensuring a good geographical spread of SPED schools.

DATA ON PERCENTAGE OF STUDENTS IN UPLIFT COMMUNITY NETWORK AND ENHANCED STEP-UP PROGRAMMES WHO LIVE IN PUBLIC RENTAL FLATS

12 **Mr Louis Ng Kok Kwang** asked the Minister for Education (a) for each year since their establishment, what percentage of students in (i) the Uplifting Pupils in Life and Inspiring Families Taskforce programme and (ii) the Enhanced STEP-UP programme, live in public rental flats; and (b) if such data is unavailable, whether the Ministry will consider collecting it.

Mr Chan Chun Sing: The UPLIFT Community Network programme was piloted from 2020 to 2021 and officially started in 2022. About 900 students were enrolled in the programme in 2022, of whom about half were living in public rental housing.

From 2018 to 2022, an average of 450 students were enrolled in the Enhanced STEP-UP programme each year. About a third of the students were living in public rental housing.

REVIEW OF BASIC CHILD CARE SUBSIDY IN LIGHT OF INCREASED COST OF LIVING

13 **Mr Christopher de Souza** asked the Minister for Social and Family Development whether the amount for the Basic Child Care Subsidy will be reviewed in light of increased cost of living.

Mr Masagos Zulkifli B M M: In recent years, the Government has enhanced preschool affordability in various ways. In 2020, we raised the household income ceiling for means-tested Additional Subsidies from \$7,500 to \$12,000 and increased the quantum of Additional Subsidy across all eligible income tiers.

In addition, we keep fees at Government-supported preschools affordable by imposing fee caps on Anchor Operators (AOPs) and Partner Operators (POPs). In January 2023, monthly fee caps for full-day childcare at AOP and POP centres were lowered by \$40 to \$680 and \$720 respectively. This is more effective than increasing the Basic Subsidy.

PROPOSAL FOR BASIC CHILD CARE SUBSIDY TO BE TIERED WITH INCREASED SUBSIDIES FOR SECOND AND THIRD CHILDREN

14 **Mr Christopher de Souza** asked the Minister for Social and Family Development whether the Basic Child Care Subsidy can operate on a tiered basis with increased subsidies for second and third children.

Mr Masagos Zulkifli B M M: Additional support is already available for the second or third child in some larger families. While the Basic Subsidy is constant irrespective of birth order, families with a working mother and monthly household income of \$12,000 and below are also eligible for the means-tested Additional Subsidy. To support larger families, including those with more children, families with five or more members (including three or more dependants) can have their income assessed on a per capita basis so that they can enjoy higher Additional Subsidy amounts for each child.

Parents can also use their Child Development Account (CDA) funds to defray preschool fees. Savings deposited by parents into the CDA are matched dollar-for-dollar by the Government, up to a cap, with higher co-matching caps for the second and third child.

FACTORS BEYOND ANNUAL VALUE OF HOME IN ASSESSING MEDICAL SUBSIDIES FOR RETIREES

15 **Mr Christopher de Souza** asked the Minister for Health whether medical subsidies for retirees can be based on a broader set of factors beyond the annual value of their home to take into account retirees who have owned landed property for many years but do not have much savings.

Mr Ong Ye Kung: Healthcare subsidies are generally means-tested using per capita household income (PCHI) and annual value (AV) of residence to ensure that subsidies are targeted at those who need it more. AV, in particular, is a good proxy reflecting the financial situation of the applicant, but it is not a perfect proxy as it excludes those who are asset rich and cash poor, but for various reasons, are unable to monetise their assets. However, if we conversely disregard AV when determining the appropriate level of subsidies, wealthy retirees living in a high AV residence (such as landed property) would receive higher subsidies than low-income families in residences with a lower AV (such as a two-room flat). As such, while neither PCHI nor AV are perfect measures, collectively they are the best available proxies to measure an individual's means and access to family support.

To support retirees who are asset rich but cash poor, the Government provides additional non-means-tested support under other schemes. For instance, seniors aged 65 years and above receive higher subsidies of 75% at polyclinics, regardless of means. Pioneer Generation and Merdeka Generation seniors also receive additional benefits regardless of PCHI or the AV of their residence, such as subsidies for MediShield Life premiums, MediSave top-ups and higher subsidies for outpatient care.

Individuals who face difficulties in paying for their healthcare expenses after subsidies, MediShield Life and MediSave may apply for discretionary financial assistance such as MediFund at public healthcare institutions, where a broader set of factors beyond PCHI and AV would be taken into account.

PROPOSAL FOR BAN ON USE OF GILL NETS FOR FISHING

16 **Mr Louis Ng Kok Kwang** asked the Minister for National Development (a) whether the Ministry has studied the possibility of implementing a blanket ban on the use of gill nets for fishing including those used below depths of two kilometres; (b) if so, what are the results of the study; and (c) if not, whether the Ministry will consider conducting such a study.

Mr Desmond Lee: NParks encourages responsible fishing in the waters around Singapore. This includes the proper use of fishing gear, for example, by avoiding their use in shallow areas such as intertidal flats and coral reefs. Today, the removal of biodiversity by any means, including fishing and the use of nets, lines or traps to do so, is already prohibited at certain areas managed by NParks, such as the Sisters' Islands Marine Park.

Beyond these areas, NParks also closely monitors the state of marine biodiversity in collaboration with stakeholders such as academics and interest groups, and will continue to study whether further measures are needed to better protect biodiversity in our waters.

PROPORTION OF HDB FLAT OWNERS WHO HAVE MADE FULL REPAYMENT OF HDB MORTGAGE LOANS AHEAD OF LOAN TENURE

17 **Mr Leong Mun Wai** asked the Minister for National Development (a) since 2010, what is the proportion of HDB flat owners who have taken out HDB loans and have made full repayment of their mortgage loans ahead of their loan tenure; and (b) how does this figure compare with the earlier cohorts of HDB flat owners who took out HDB loans.

Mr Desmond Lee: Among the households that took an HDB loan from 2010 to 2022 and have redeemed their housing loan, about 86% of them have redeemed their housing loan ahead of the loan tenure. Among the households that took an HDB loan from 1997 to 2009 and have redeemed their housing loan, about 83% of them have redeemed their housing loan ahead of the loan tenure.

HOUSE PRICE TO INCOME RATES IN OTHER CITIES FOR DWELLINGS WITH COMPARABLE FLOOR AREA OF AVERAGE HDB FLAT IN SINGAPORE

18 **Mr Leon Perera** asked the Minister for National Development in respect of Annex 9 of the handout shared with Members of Parliament during the debate on the public housing motions on 6 February 2023, what is the house price to income multiple for Los Angeles, London, Sydney, and Hong Kong for a median apartment with the floor area of the average HDB flat in Singapore.

Mr Desmond Lee: The data from Annex 9 of the handout that was shared with Members of Parliament during the debate on public housing motions on 6 February 2023 were cited from the Demographia International Housing Affordability Report (2022 Edition).

Demographia International Housing Affordability rates middle-income housing affordability using the "median multiple", which is the median house price divided by the gross median household income (pre-tax). The estimated house price data in the report are based on "housing types representing the majority of existing dwellings in each nation", using publicly available data, including official government produced sales registers, authoritative real estate time series and market reports.

As housing landscapes and typologies differ across countries, we do not track the granular information as requested by the Member.

RAISING CPF ORDINARY WAGE CEILINGS

19 **Mr Leong Mun Wai** asked the Minister for Manpower whether the Ministry will consider increasing the CPF Ordinary Wage (OW) ceiling of \$6,000, given that the ceiling was last raised seven years ago, and for the OW ceiling to be pegged to the 80th percentile of income, in keeping with the spirit of the recommendations of the Economic Review Committee on the CPF system in 2002.

Dr Tan See Leng: As announced at Budget 2023, the Government will raise the CPF Ordinary Wage ceiling to \$8,000 by 2026 to keep up with increases in salaries of Singaporean workers. This will be done in four phases to allow employers and employees to adjust to the changes.

The CPF salary ceilings will be reviewed and adjustments will be made as necessary to ensure that they continue to cover the broad majority of resident workers.

PERCENTAGE OF CPF MEMBERS WHO DEFER MONTHLY RETIREMENT PAYOUTS BEYOND AGE 65

20 **Mr Leong Mun Wai** asked the Minister for Manpower (a) since 2018, what is the percentage of CPF members who have chosen to defer their monthly retirement payouts beyond the Payout Eligibility Age of 65 years; and (b) among the members who have (i) chosen to defer and (ii) not defer their monthly retirement payouts, what is the respective percentage of those who are still working.

Dr Tan See Leng: Over the past five years, 66% of CPF members who reached their Payout Eligibility Age (PEA) have deferred the start of their monthly payouts beyond their PEA. Among these members, about 46% were working when they reached their PEA.¹ For members who did not defer the start of their monthly retirement payouts beyond their PEA, about 58% were working when they reached their PEA.

Note(s) to Question No(s) 20:

¹ The PEA refers to the age which members can choose to start payouts. The current PEA for members born in 1954 and later is 65.

DATA ON CPF MEMBERS WHO ARE UNABLE TO SET ASIDE CPF FULL RETIREMENT SUM IN RETIREMENT ACCOUNT

21 Mr Leong Mun Wai asked the Minister for Manpower (a) what is the current number and percentage of male and female CPF members respectively who are unable to set aside the CPF Full Retirement Sum (FRS) in their Retirement Accounts; and (b) what is the forecast on the number and percentage of CPF members who will not be able to set aside the CPF FRS over the next five years.

Dr Tan See Leng: The Basic Retirement Sum (BRS) provides members with lifelong payouts that cover a basic level of retirement expenses. Thus, attainment of the BRS is the relevant indicator for basic retirement adequacy. Those who prefer a higher payout can choose to set aside more CPF savings to the amount of the Full Retirement Sum (FRS) instead of maintaining only the BRS in their Retirement Account if they own property.

About 33% of active CPF members who turned 55 in 2022 had not set aside the Full Retirement Sum in cash, or in cash and property¹. Of these members, about 45% (6,100) are male and about 55% (7,300) are female.

Older cohorts of female members tend to have less CPF savings than male members as the labour force participation rate and median income for females were lower historically. As employment outcomes for both males and females have improved over time, members are earning and saving more. Hence, over the next five years, we estimate that the proportion of active CPF members who do not set aside the FRS would reduce from about 33% (13,400) to about 24% (11,500).

Note(s) to Question No(s) 21:

¹ From age 55, members can withdraw their CPF savings in excess of half the FRS (i.e. the Basic Retirement Sum) if they own a property.

VERNACULAR SPEECHES

Vernacular Speech by Mr Chua Kheng Wee Louis()

Vernacular Speech by Ms Ng Ling Ling()

Vernacular Speech by Mr Sharael Taha()

Vernacular Speech by Ms Tin Pei Ling()

Vernacular Speech by Mr Zhulkarnain Abdul Rahim()

Vernacular Speech by Ms Nadia Ahmad Samdin()

Vernacular Speech by Dr Wan Rizal()

Vernacular Speech by Ms Joan Pereira()