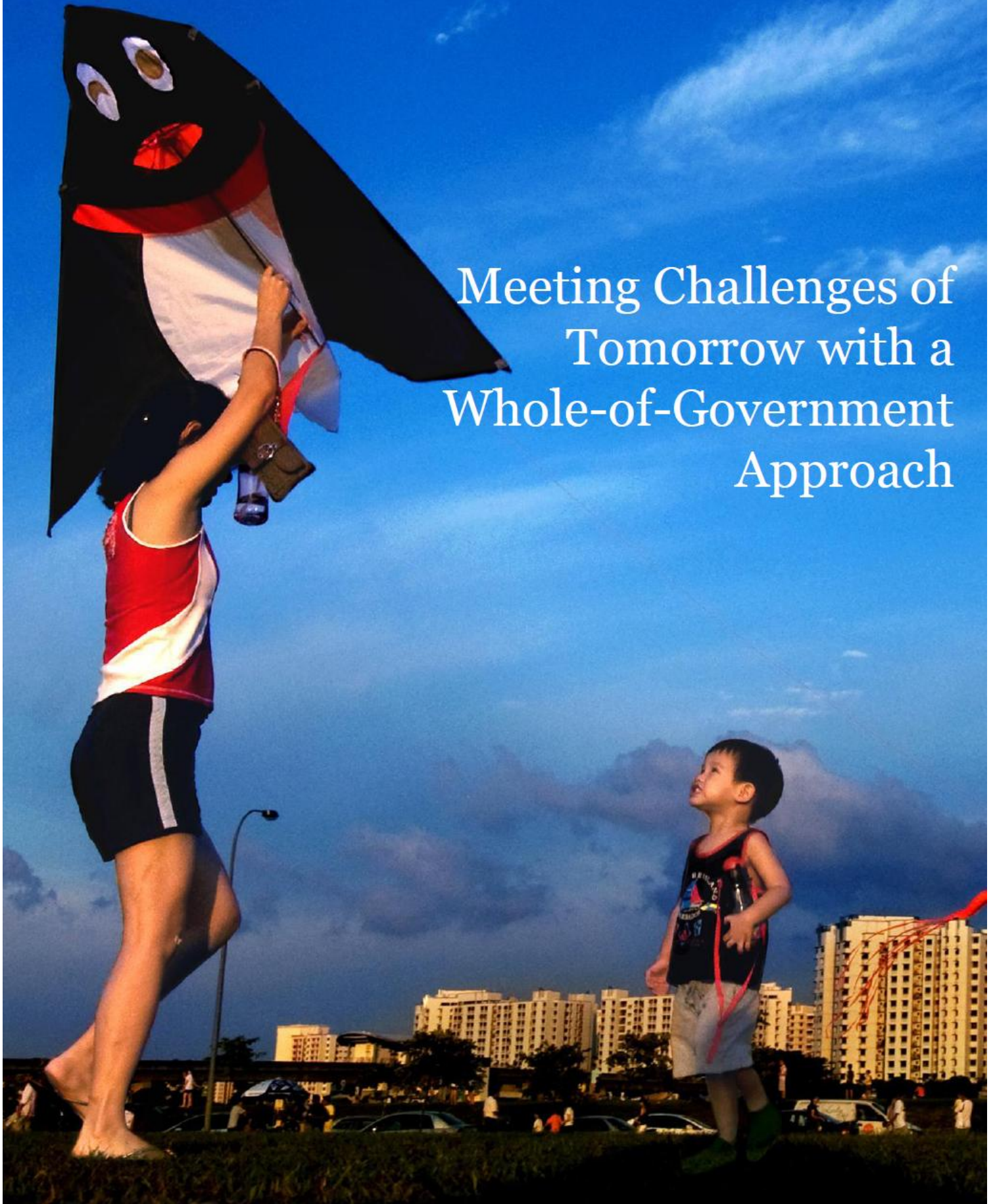


# SPOOR

THE SINGAPORE  
PUBLIC SECTOR  
OUTCOMES REVIEW

Meeting Challenges of  
Tomorrow with a  
Whole-of-Government  
Approach



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# INTRODUCTION

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The Singapore Public Sector Outcomes Review provides an overview of the strategic challenges that the public sector seeks to address, and how Ministries and agencies work collectively to meet them. The Review is coordinated by the Ministry of Finance (MOF) with inputs from all Ministries.

## **The Government's Approach to Public Spending**

Every government has the responsibility for managing and allocating public money to achieve national goals. Singapore is no different.

One defining trait of the Singapore government's approach to fiscal management is its commitment to prudence. Unlike many developed countries, we do not borrow to pay our bills. Instead, we adhere to a policy of spending within our means, maintaining a stable and diversified base of revenues, and building up a nest egg of reserves to meet contingencies such as unexpected global shocks.

Singapore's prudent approach means that we constantly face two fiscal challenges. We must:

- Raise sufficient revenue to invest in the range of capabilities and infrastructure that Singapore needs to survive and succeed into the future. Some examples are education, physical development and security.
- Allocate funds so as to achieve the best outcomes for Singapore as a whole. This requires MOF to assess outcomes holistically, not compartmentally by individual Ministries. We must also ensure that Ministries maximise value for Singapore when they use these funds.

## **The Need for Whole-of-Government Objectives and Strategies**

As the world becomes more globalised and complex, so will the business of governance. The national issues we face will transcend Ministry boundaries, and public agencies will increasingly need to work hand in glove to address any given issue effectively.

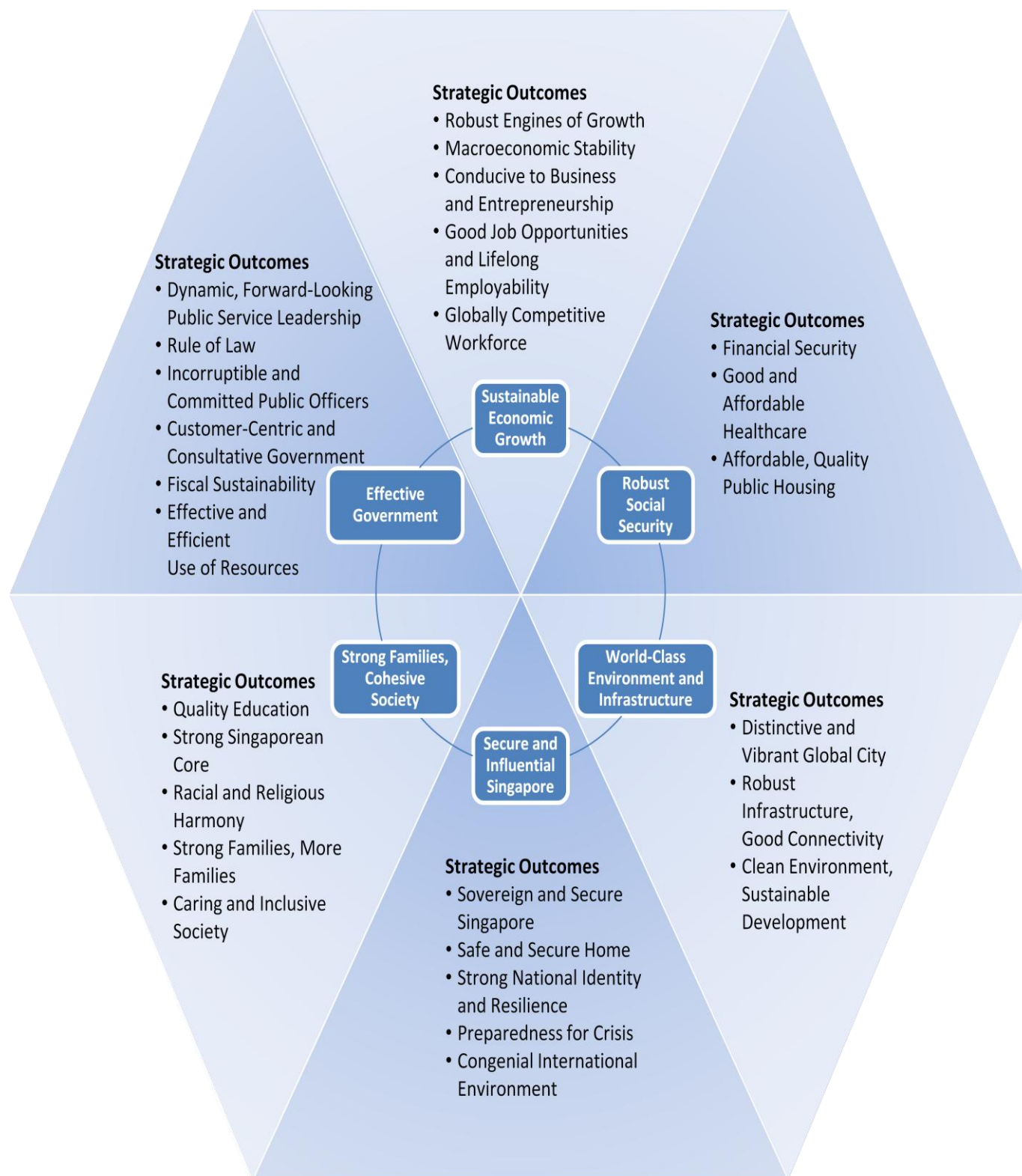
In such a context, setting and monitoring outcomes of individual agencies, while useful, is insufficient. MOF and the Ministries have therefore worked to jointly establish whole-of-government outcomes along with suitable indicators to track our progress towards achieving them. Ministries and agencies have agreed on a set of common outcomes, with which their priorities have been aligned.

Just as a health screening report helps an individual to make wise choices that support his health, monitoring whole-of-government outcome indicators guides our understanding of current and emerging policy issues, and therefore the strategies, programmes and resources needed to address them.



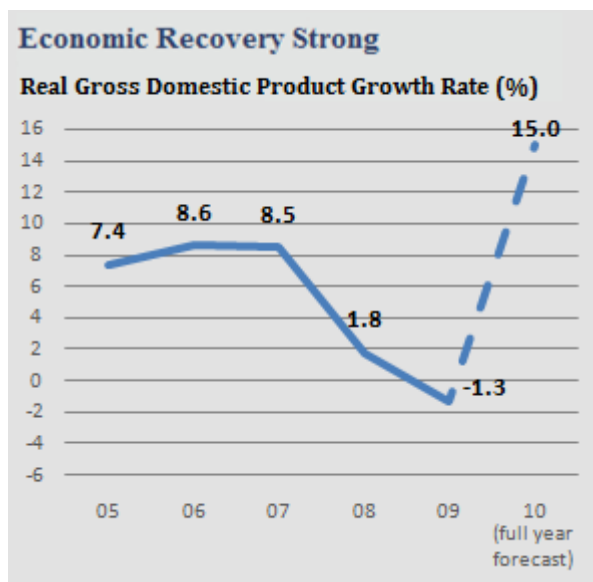
# WHOLE-OF-GOVERNMENT STRATEGIC OUTCOMES

The whole-of-government outcomes are grouped into six broad themes as shown in the diagram below.



# SUSTAINABLE ECONOMIC GROWTH

## *Objective: Robust Engines of Growth; Macroeconomic Stability*



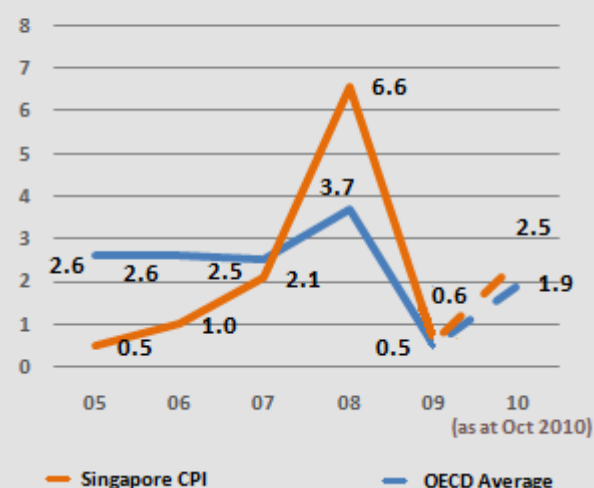
Economic growth slowed sharply in 2008 and turned negative in 2009, before rebounding strongly in the first three quarters of 2010. The government's current estimate of the 2010 full-year growth rate is 15%, indicating a much stronger recovery than anticipated at the start of the year.



Photo: International Enterprise Singapore

## **Inflation Rising, After Declining in Recession**

### **Singapore's Consumer Price Index versus OECD Average (%)**



Singapore's Consumer Price Index (CPI) inflation fell sharply in 2009, as the economic downturn suppressed price rises across most items. With the rebound in the economy and consequent increase in domestic cost pressures, as well as rising global commodity prices, inflation has been picking up. In view of this, the Monetary Authority of Singapore (MAS) has been tightening its exchange rate policy in its policy reviews in April and October 2010. Its policy stance remains supportive of economic growth while seeking to cap CPI inflation at 2% to 3% in 2011, from 2.5% to 3.0% in 2010, and to ensure medium-term price stability.

# SUSTAINABLE ECONOMIC GROWTH

## Objective: Conducive to Business and Entrepreneurship



The Singapore economy remains one of the world’s most competitive, according to reputable international rankings. The World Economic Forum notes that Singapore’s strengths include a strong institutional environment, market efficiency, and quality infrastructure. While it rates Singapore the third most competitive economy in the world, it also highlights that for the country to strengthen its competitiveness further, Singapore could encourage even stronger adoption of the latest technologies as well as policies that enhance the sophistication of its companies.

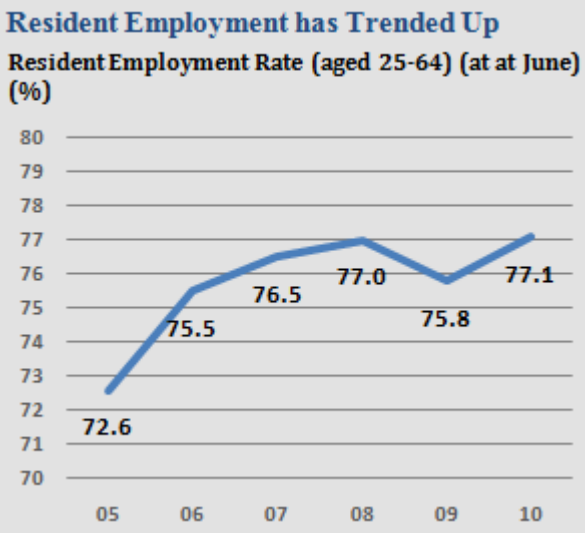
## Objective: Good Job Opportunities and Lifelong Employability



The seasonally adjusted overall unemployment rate in September 2010 was 2.1%, declining from an annual average of 3.0% for 2009 – driven by the economic rebound. Similarly, the resident unemployment rate has fallen from an annual average of 4.3% in 2009 to a seasonally adjusted 3.1% in September 2010. Efforts to facilitate training and job matching for workers have helped to mitigate the impact of the downturn on unemployment. The annual average resident long-term unemployment rate<sup>1</sup> remained low at below 1%, even during the downturn in 2009 when workers took a longer time to find jobs.

<sup>1</sup> The long-term unemployment rate refers to the proportion of the labour force who have been unemployed for at least 25 weeks.

# SUSTAINABLE ECONOMIC GROWTH



The overall employment rate for Singapore’s resident population aged 25 to 64 - which also reflects labour force participation rate - has risen steadily over the years. It fell in 2009 as a result of the economic downturn, but has recovered to 77.1% as at June 2010.

## Objective: Globally Competitive Workforce



Singapore’s labour productivity growth rate has averaged about 1% per annum over the last decade.

Productivity growth has slipped since 2005, reaching a low in 2008. It has however rebounded sharply to post a growth rate of 11.9% for the first nine months of 2010, compared to the corresponding period in 2009.

In February 2010, the Economic Strategies Committee released its recommendations for Singapore to achieve sustained and inclusive growth over the next decade. A key priority identified was to raise and sustain productivity growth of 2% to 3% per year over the next decade. In Budget 2010, the government announced a range of schemes to help companies upgrade the quality of jobs for every worker so as to achieve this objective.<sup>2</sup>

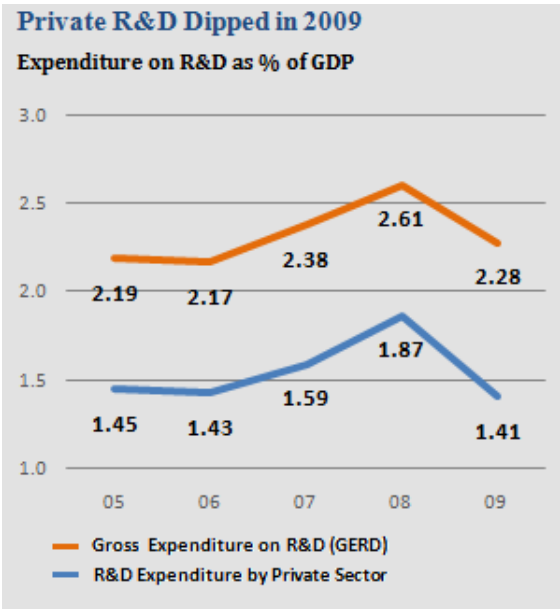


A well-educated workforce provides a solid foundation for national productivity, and enhances national competitiveness and economic growth. Today, more than half of Singapore’s resident labour force has post-secondary qualifications and the proportion is expected to grow in the years ahead.

<sup>2</sup> More details on the government’s response to the Economic Strategies Committee recommendations and the drive to improve national productivity can be found in the Budget Speech 2010, which is available at [www.mof.gov.sg/budget\\_2010/speech\\_toc/index.html](http://www.mof.gov.sg/budget_2010/speech_toc/index.html).

# SUSTAINABLE ECONOMIC GROWTH

As part of the national productivity effort, the government will invest \$2.5 billion over the next five years in the Continuing Education and Training (CET) framework.



Singapore’s gross expenditure on research and development (GERD) rose from 2005 to 2008, but dipped in 2009 due to lower private sector R&D capital investments during the economic downturn. The government will sustain its investment in research and development (R&D) at 1% of GDP over the next five years, so as to increase GERD towards 3.5% of GDP by 2015.

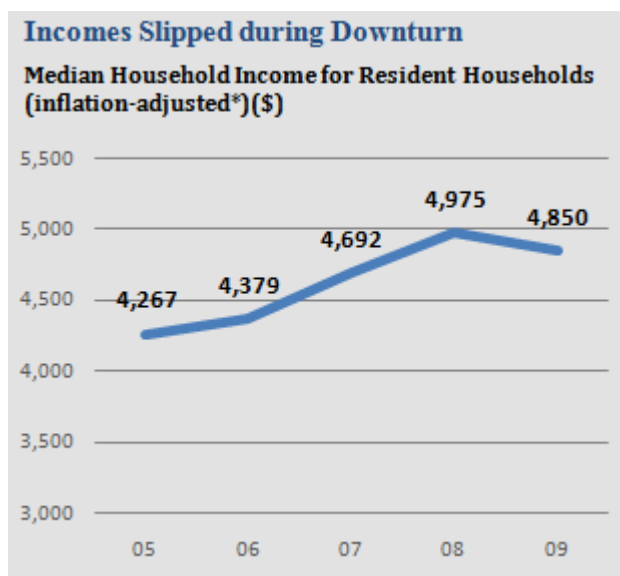


Photo: Darren Soh for Ministry of Information, Communications and the Arts



# ROBUST SOCIAL SECURITY

## Objective: Financial Security



[Source: Key Household Income Trends, Department of Statistics]

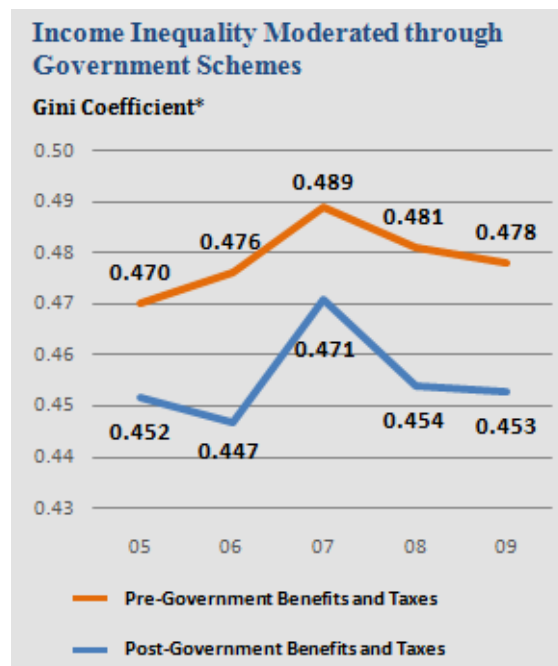
\* Adjusted using consumer prices (all items).

Median monthly household incomes dipped in 2009 with the economic downturn, although they remain higher than five years ago. Incomes have since risen in 2010 with the economic recovery and tighter labour market.

To keep incomes on a sustainable growth path, the skills and productivity of workers must be raised. If the goal of raising productivity by 2% to 3% per year over the next decade is achieved, median real incomes should grow by about 30% over 10 years.



Photo: Ministry of Manpower



[Source: Key Household Income Trends, Department of Statistics]

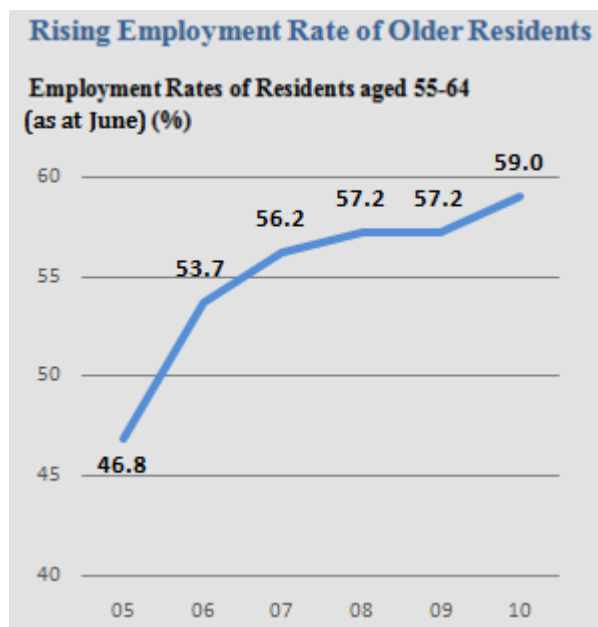
\* The Gini coefficient, which measures income equality, ranges from 0 to 1. The more unequal the income distribution, the larger the Gini coefficient.

Income inequality has risen over the last decade, although it has dipped slightly in the past two years. Government benefits and taxes have however served to lower the Gini coefficient. To support lower-income workers, the government has focused on investing in their skills and education. In addition to developing a comprehensive Continuing Education and Training system, several targeted measures have been introduced to encourage them to stay gainfully employed and to continually upgrade their skills:

- The Workfare Income Supplement (WIS) Scheme, introduced in 2007, provides a top-up to the wages of older low-wage workers to encourage them to stay in work. In February 2010, the WIS was enhanced by increasing the maximum payout amounts and extending the income threshold for eligibility. 400,000 Singaporeans benefit from the WIS scheme.

# ROBUST SOCIAL SECURITY

- The Workfare Training Support Scheme, introduced in 2010, encourages employers to send older low-wage workers for training, and workers themselves to commit to training.



Supported by the ADVANTAGE! Scheme, the employment rate of older workers has risen over the past five years even during the downturn and reached a new high of 59.0% in 2010, after holding steady at 57.2% over the past two years. To further raise older workers' employment, the government will introduce re-employment legislation that will come into force in 2012.

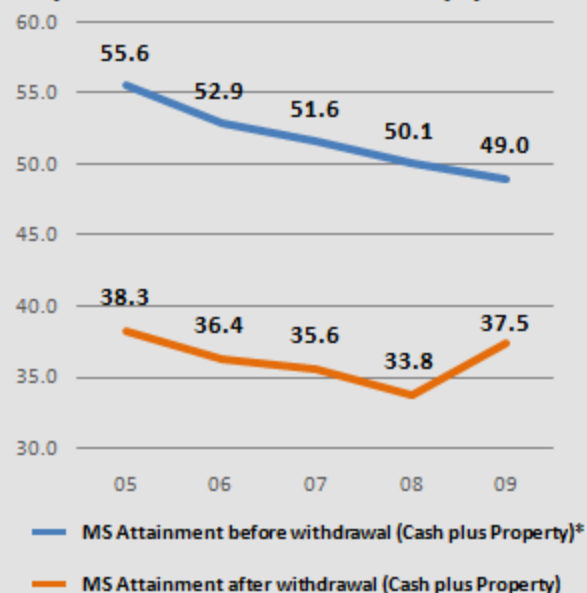
## ADVANTAGE!

The ADVANTAGE! Scheme aims to encourage companies to employ mature workers over 40 years old, or re-employ workers beyond the age of 62 years.

ADVANTAGE! provides a comprehensive package of incentives of up to \$400,000 to support the employment, re-employment and retention of mature workers.

## CPF Minimum Sum Increased; Proportion of Members Attaining it Fell

Percentage of Active CPF Members Turning 55 in the year who Attain the Minimum Sum (%)



\* The MS attainment before withdrawal was estimated by taking CPF balances of members at age 54 years and 11 months.

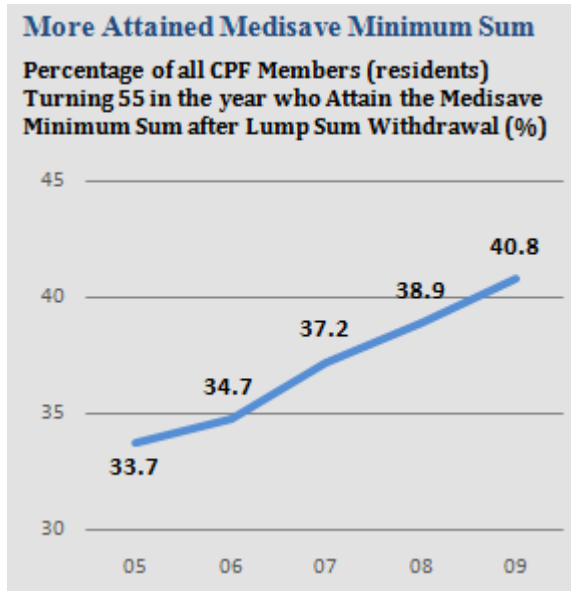
Between 2005 and 2009, the proportion of active Central Provident Fund (CPF) members able to meet the Minimum Sum requirement at 55 years of age have generally trended downwards. This was partly due to the raising of the Minimum Sum to keep up with inflation. However, in 2009, this trend was reversed for the proportion of members attaining Minimum Sum after lump sum withdrawal, partly because the withdrawal rule at age 55 was in the process of being phased out and had been reduced from 50% to 40%<sup>3</sup>.

Retirement adequacy remains a government priority, and key measures to enhance it include the provision of an additional 1% interest on the first \$60,000 of CPF balances,

<sup>3</sup> The withdrawal rule of the CPF scheme allowed members who reach age 55 to withdraw 50% of their CPF balances (Ordinary Account and Special Account) from 2005 to 2008, and only 40% in 2009. Notwithstanding, members are able to withdraw the first \$5,000 of their CPF balances.

# ROBUST SOCIAL SECURITY

the introduction of CPF LIFE, periodic government top-ups to CPF accounts and the restoration of the employer's CPF contribution rate by 1%.

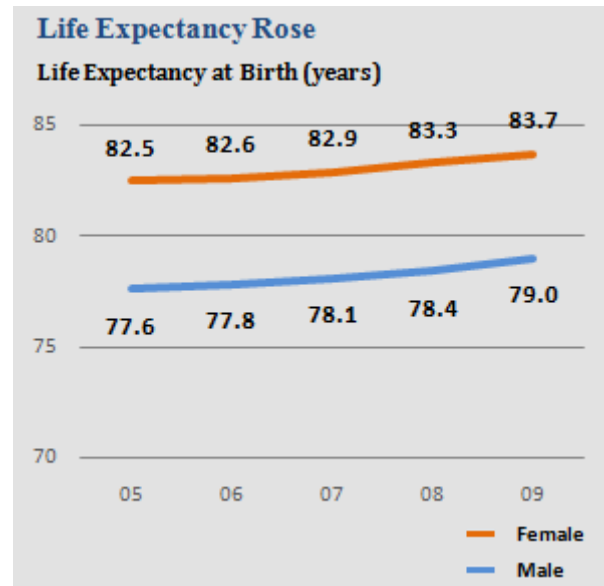


The proportion of all CPF members with enough Medisave to meet the Medisave Minimum Sum at 55 years of age has increased steadily. This is despite the regular adjustment of the minimum sum to cover medical inflation. The accumulation and usage of Medisave have been carefully managed to help Singaporeans balance current consumption and future healthcare needs.



Photo: Ministry of Community Development, Youth and Sports

## Objective: Good and Affordable Healthcare



Singapore's life expectancy has risen slowly over time and compares well internationally.

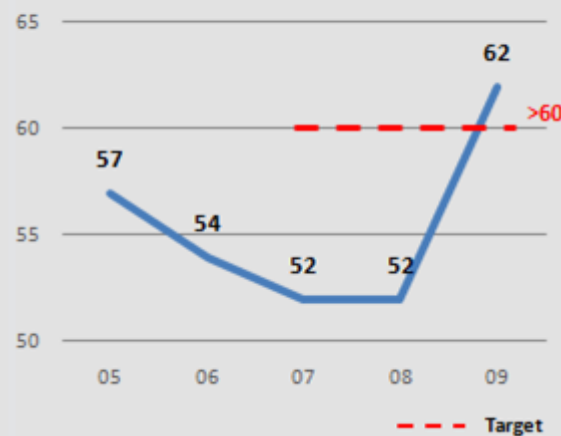
The government continues to develop the healthcare sector's capacity and capability through:

- Increasing the number and proficiency of healthcare professionals; and
- Expanding the national healthcare infrastructure, including a new public hospital (Khoo Teck Puat Hospital), a community hospital (Ren Ci Hospital) and several nursing homes.

# ROBUST SOCIAL SECURITY

## MediShield Covered a Higher Share of Large Hospital Bills

Average Proportion Paid by MediShield for Large Class B2/C Bills (%)



Government subsidies and the 3Ms framework of Medisave, MediShield and Medifund help to ensure that good healthcare stays affordable for all Singaporeans. To better target healthcare subsidies at low-income Singaporeans, the government introduced means-testing for inpatients at restructured hospitals in 2009. There have also been refinements to means-testing for intermediate and long-term care services.

Medisave withdrawal limits cover almost all Class B2/C hospital bills. MediShield and private Shield plans will continue to play an important role in helping patients cover large hospital bills due to major illnesses. Out-of-pocket costs to patients with large Class B2/C bills have been reduced following the December 2008 MediShield reform.

Given demographic changes, demand for long-term care will increase in the future. While the government has already taken steps to build on the 3Ms framework for better coverage of long-term care needs, such as through the establishment of ElderShield and Medifund-Silver, the public sector will need to consider how best to enhance Medisave together with other funding sources to cover costs in additional long-term care areas, sustainably.

## Healthcare Financing in Singapore

4 levels of protection:

**Government subsidies** of up to 80% of the total bill in acute public hospital wards, which all Singaporeans can access.

**Medisave:** a compulsory individual medical savings account scheme.

**MediShield:** a low-cost catastrophic illness insurance scheme.

**Medifund:** a medical endowment fund set up by the government to act as the ultimate safety net for needy Singaporean patients.

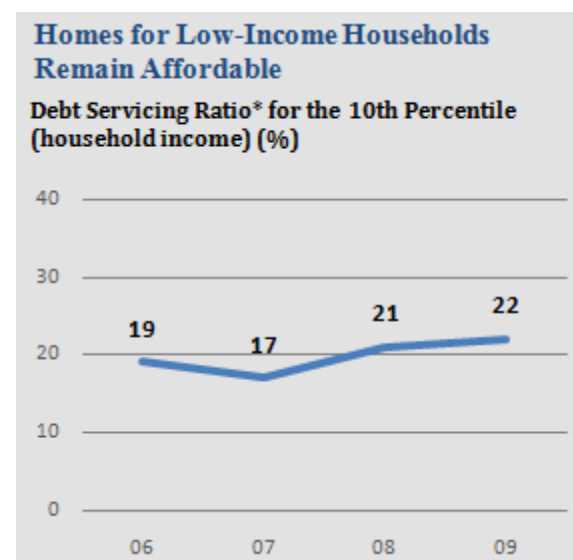
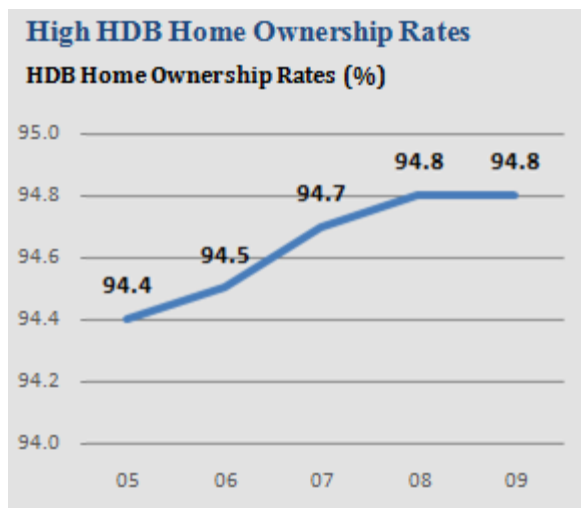


Photo: Ministry of Health



# ROBUST SOCIAL SECURITY

## *Objective: Affordable, Quality Public Housing*



\* The DSR is calculated based on:

- a 90% loan on the average price of a new 2-room Build-To-Order flat;
- a loan tenure of 30 years;
- concessionary interest rate of 2.6%; and
- assuming Additional Housing Grant is used to offset the downpayment.



Photo: Housing and Development Board

The home ownership rate for public housing has remained high. Home ownership helps to foster a sense of belonging to Singapore. It also provides Singaporeans with a means of financial security and a hedge against inflation.

The government is committed to ensuring that first-time home buyers can afford HDB flats. This is done in two ways: first, by providing an adequate supply of new flats of different sizes and in different locations, to cater to different income groups; second, by keeping flat prices affordable for buyers in the various income bands.

The Debt Servicing Ratio (DSR) rose in 2008 and 2009 due to an increase in 2-room flat prices in tandem with the overall market, but it remains well below the 30% international benchmark for housing affordability.

To help more low-income and middle-income families own their first homes, the Additional Housing Grant was enhanced in 2009 to increase the maximum grant quantum to \$40,000 and raise the monthly income ceiling for eligible households to \$5,000.



Photo: Housing and Development Board

## Feature Box 1:

### Keeping Public Housing Affordable

Over the past year, spikes in housing prices prompted public concern that prices were growing beyond the reach of Singaporeans. These spikes in housing prices are due to factors such as abundant liquidity in the economy and, more recently, the improved sentiment arising from Singapore's relatively quick recovery from the 2008-2009 economic downturn.

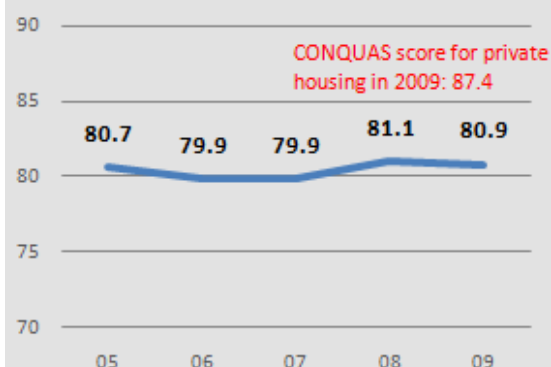
While the spike in housing prices does not affect the majority of Singaporeans who already own their homes, there is a need to ensure that public housing remains affordable for new home buyers, and that supply is adequate. Hence, the government recently announced various measures, including the following:

- More HDB flats will be built. 17,600 new flats will be offered in 2010 and up to 22,000 flats will be offered in 2011.
- The completion time for new flats will be cut from three years to two-and-a-half years for projects launched from mid-2011. This will be achieved by streamlining HDB's internal processes so that tenders for projects are awarded earlier.
- The \$8,000-a-month income ceiling has been relaxed for the 'sandwiched group' of home-buyers. Those with a monthly household income of between \$8,000 and \$10,000 will now also be eligible to buy new flats supplied through the Design, Build and Sell Scheme. They will also be allowed to buy these flats with a CPF Housing Grant of \$30,000.

The minimum occupation period (MOP) for HDB flats that are sold without government subsidies was raised from three years to five years. In addition, buyers of these flats will no longer be allowed to concurrently own another property during the MOP. This measure reinforces the government's stand that HDB homes are primarily for owner-occupation, and achieves equity with the prevailing treatment that buyers of subsidised HDB flats are subject to.

### Quality of Public Housing Sustained

Mean CONQUAS score\* for HDB flats



\* The Construction Quality Assessment System (CONQUAS) score (out of a maximum of 100) measures the quality of constructed works against workmanship standards and specification. A team of assessors from the Building and Construction Authority (BCA) conducts an assessment and assigns the CONQUAS score for each construction project.

The quality of public housing, as measured by the CONQUAS score, is high and largely comparable to that of private housing.

The "Remaking our Heartlands" programme is making good progress. The first three towns selected - Yishun, Dawson and Punggol - are gradually being remade. For example, Punggol's waterfront living environment is taking shape with groundbreaking works started on Punggol's 4.2km waterway. The government is also on track to meet its commitment of providing lift access to all eligible blocks by 2014.

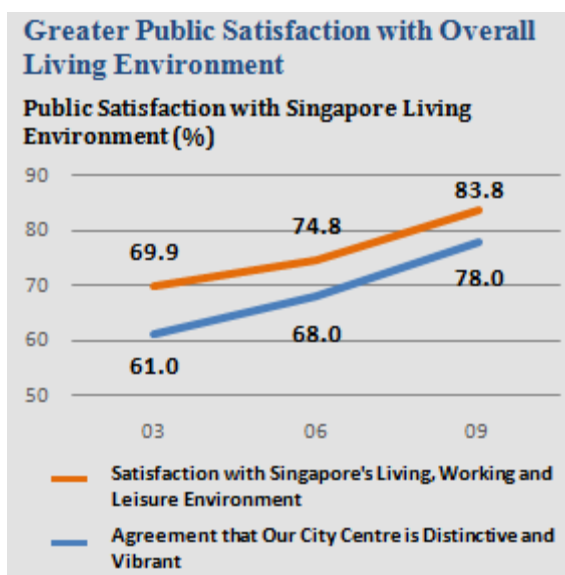
# WORLD-CLASS ENVIRONMENT AND INFRASTRUCTURE

## *Objective: Distinctive and Vibrant Global City*



\* Numbers in brackets denote Singapore's ranking among Asian cities.

In international surveys, Singapore's quality of living ranks among the highest in Asia, auguring well for our aspiration to be an Asian hub for talent. While Singapore's global rank has improved compared to five years ago, there is some way to go to close the perception gap with top-tier cities, in areas such as cultural and recreational opportunities.



[Source: Public Perception Survey / Lifestyle Survey, Ministry of National Development]

Within Singapore, satisfaction with the living, working and leisure environment has increased. More people also feel that the city centre has become more distinctive and vibrant. Over the years, the government has undertaken several initiatives to enhance the living, working and leisure environment in Singapore. These include the development of recreation areas such as the Southern Ridges and Changi Waterfront, and the hosting of prominent events such as the Formula One Singapore Grand Prix, Volvo Ocean Race and the Youth Olympic Games.



Photo: Singapore Tourism Board

The government will continue with efforts to establish Singapore as Asia's most liveable city and the best home for talent by:

- Enlivening the city centre, by working with the people and private sectors to develop areas such as the Marina Bay and the Singapore River into districts with distinct identities;
- Charting Singapore's next phase of cultural development, by engaging the people and private sectors to drive a major Arts and Culture Strategic Review (ACSR). The ACSR Steering Committee will release its recommendations next year; and
- Consulting the public on how the quality of living can be enhanced, and mapping

# WORLD-CLASS ENVIRONMENT AND INFRASTRUCTURE

out long-term directions for Singapore’s land use and transportation plans under Concept Plan 2011.

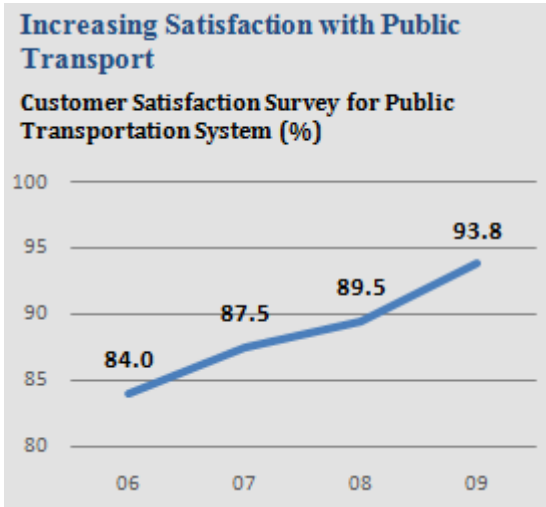
## Objective: Robust Infrastructure, Good Connectivity



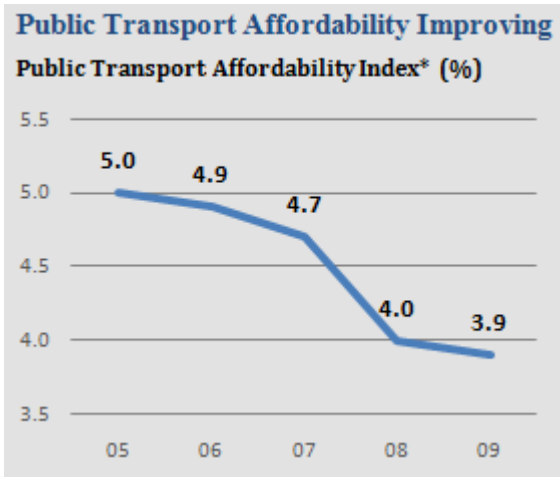
Singapore’s air and sea transport infrastructures have been ranked highly in the World Economic Forum Global Competitiveness Report for the past five years, though their rankings have dropped by one place in 2010. In particular, Changi Airport and the Port of Singapore are ranked among the top airports and container ports in the world respectively.



Photo: Ministry of Transport



[Source: Public Transport Customer Satisfaction Survey, Ministry of Transport]



\* Public Transport Affordability Indicator = (Monthly Expenditure on Public Transport) / (Monthly Household Income), based on Department of Statistics’ Household Expenditure Survey.

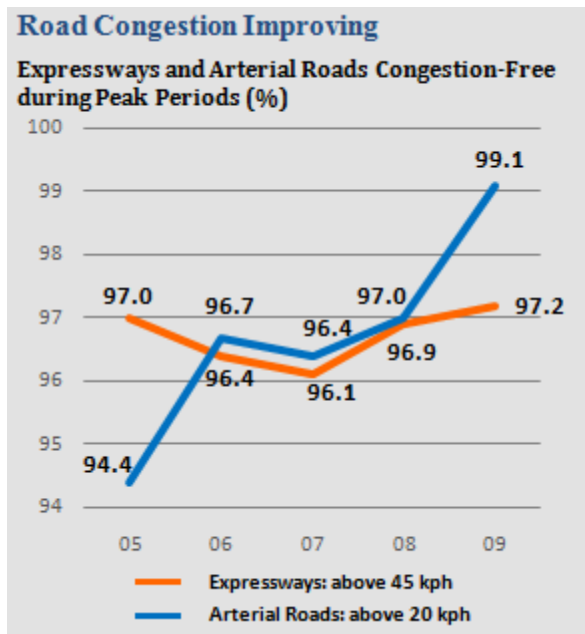
Customer satisfaction with the public transportation system has steadily improved over time, with more than nine in ten commuters satisfied with the public transport system. Public transport fares have also become more affordable. This is reflected in the steady improvement in the public transport affordability index over the past five years.

To ensure a sustainable land transport system, the majority of future increases in travel demand must be met by public transport as it is the most space-efficient means of carrying large numbers of people. The public transport



# WORLD-CLASS ENVIRONMENT AND INFRASTRUCTURE

mode share has however fallen from 63% in 2004 to 59% in 2008. The government has set out to reverse this trend by adopting a three-pronged approach of expanding the rail network, improving bus services and enhancing commuter experience.



The government also adopts a holistic approach to managing road usage. This involves balancing investments in road infrastructure with our land constraints, and using a combination of vehicle ownership and usage measures such as the Vehicle Quota System and Electronic Road Pricing System. These have helped ensure that at least 95% of the expressways and arterial roads are kept congestion-free during the peak periods in recent years.



Photo: Ministry of Transport

## Feature Box 2:

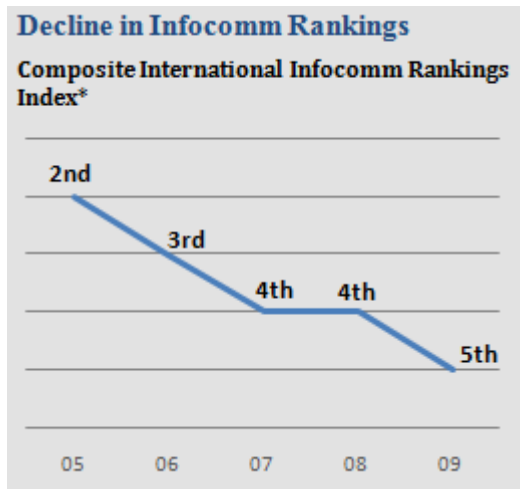
### Easing Congestion on the MRT

The crowding situation is largely confined to specific time periods in the morning peak and along certain stretches. Various efforts are undertaken to ease congestion:

- The Jurong East station is being modified to accommodate another platform and railway track. This is targeted to be completed in May 2011. 22 new trains will also be progressively delivered, increasing the North-South and East-West Lines (NSEWL)'s capacity by about 15%.
- The North East Line will have an extra train operating during the peak hour by 2011. New trains are also being purchased and will boost capacity along the line by about 50%.
- The Circle Line, when fully completed in 2011, will ease pressure on the North-South Line by 10% to 15%.
- The NSEWL signalling system will undergo upgrading from 2011, to allow trains to run at shorter intervals. The improved signalling system will be completed in stages, in about six to eight years' time. This translates to shorter waiting times for commuters and a 20% improvement to the existing capacity.

The government is investing \$60 billion over the next decade to extend the rail network. This will go towards doubling the network, with the construction of extensions to the existing NSEWL and new rail lines (namely, the Downtown Line, the Thomson Line and the Eastern Region Line).

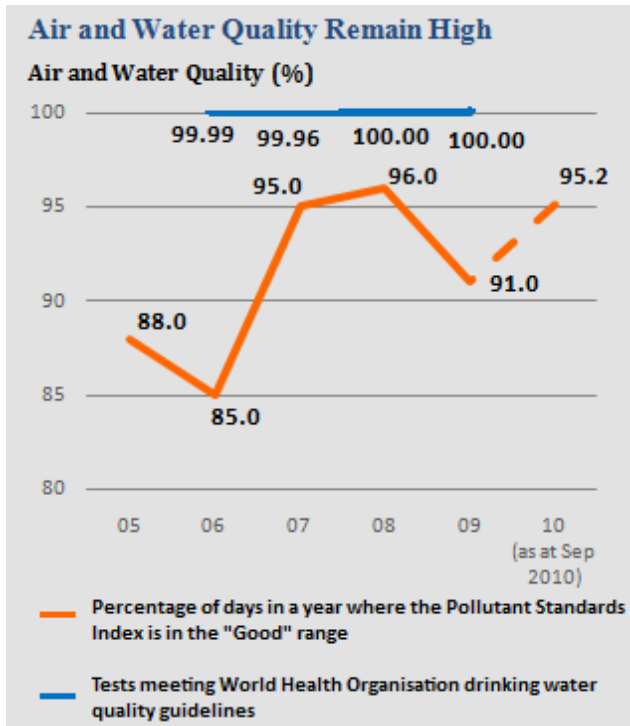
# WORLD-CLASS ENVIRONMENT AND INFRASTRUCTURE



\* The composite index covers major international rankings that assess an economy's ability (among others) to leverage on infocomm for development and competitiveness. Rankings covered include the World Economic Forum (WEF) Global Information Technology Report (GITR) overall ranking, Economist Intelligence Unit (EIU) e-Readiness overall ranking and the WEF Global Competitiveness Report "Technological Readiness" sub-index.

Singapore's position in international infocommunications rankings has declined in recent years. However, its performance is expected to improve with the implementation of the Intelligent Nation 2015 Masterplan to develop Singapore as a thriving infocomm hub. Under this plan, for instance, the Next Generation Nationwide Broadband Network and Next Generation Service Innovation Programme will increase the adoption of sophisticated infocomm services, especially among businesses and citizens.

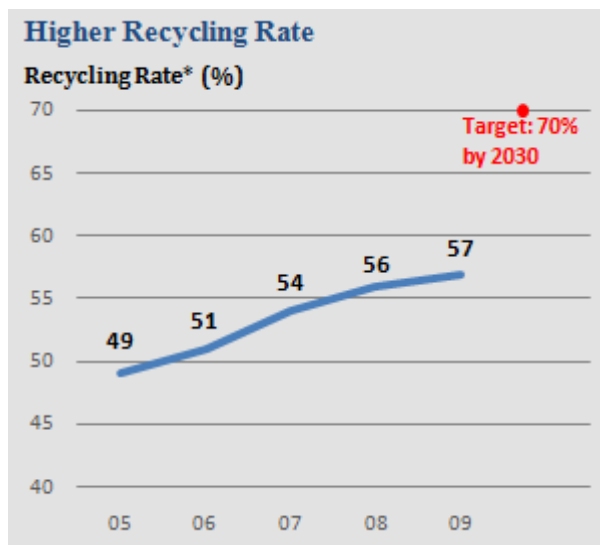
## Objective: Clean Environment, Sustainable Development



Air quality in Singapore, as measured by the Pollutant Standards Index (PSI), has remained satisfactory. To maintain air quality, the government will focus on reducing emissions and control pollution from domestic sources, as well as engaging neighbouring countries through the Sub-regional Ministerial Steering Committee on Transboundary Haze Pollution.

For the past two years, all water samples have met the World Health Organisation guidelines on water quality. To ensure the continued quality of drinking water, the government continually invests in research and development and has in place a comprehensive water sampling and monitoring programme.

# WORLD-CLASS ENVIRONMENT AND INFRASTRUCTURE



\* Recycling rate is defined as the amount of waste recycled divided by the amount of waste generated for a particular year.

The national recycling rate has risen steadily and we aim to meet the Sustainable Singapore Blueprint target of 70% by 2030. In 2009, the government reviewed the National Recycling Programme together with the waste collectors. An \$8 million 3R (“Reduce, Reuse and Recycle”) fund was also set up to support new waste minimisation and recycling projects.



Photo: Ministry of the Environment and Water Resources

## Feature Box 3:

### Reducing the Incidence and Severity of Flooding

The intense rainfall in June and July 2010 has resulted in several flash flood incidents across various parts of Singapore.

To manage the risk of floods, the government strives to provide adequate drainage infrastructure ahead of new developments and seeks to improve the drainage in flood-prone areas, through continuous reviews of the drainage system. Over the last 30 years, it has invested some \$2 billion to upgrade Singapore's drainage infrastructure; these measures have been effective in reducing flood-prone areas from 3,200 hectares (ha) in the 1970s to 62 ha today. The government also seeks to raise low-lying grounds and roads, as well as stipulate platform and crest levels to protect buildings and infrastructure from floods.

Most of the areas affected by the floods in June and July 2010 were flood-prone areas for which the government already has an ongoing drainage improvement programme to alleviate flooding. Wherever possible, it will bring forward the start of these drainage improvement projects and expedite their completion. However, for low-lying areas, flood alleviation can only be carried out through raising the entire area at the next redevelopment opportunity.

Apart from upgrading and enhancing the drainage infrastructure, the government is developing an alert system to provide earlier warnings of heavy rains and rising water levels in canals, so that the public can be better prepared. It has also provided technical advice to building owners and managing agents on structural flood protection measures (e.g. road humps / flood barriers).

# SECURE AND INFLUENTIAL SINGAPORE

## Objective: Sovereign and Secure Singapore

The Singapore Armed Forces (SAF) has maintained a high level of operational readiness. It has embarked on a transformation journey into a 3rd Generation SAF to meet current and future security challenges.

Singapore also played its part as a responsible member of the international community by deploying assets and personnel to support international security operations in Afghanistan and the Gulf of Aden.

### Three Building Blocks of the 3rd Generation SAF

Introduction of more capable and technologically advanced systems to transform the SAF into an integrated and networked force.

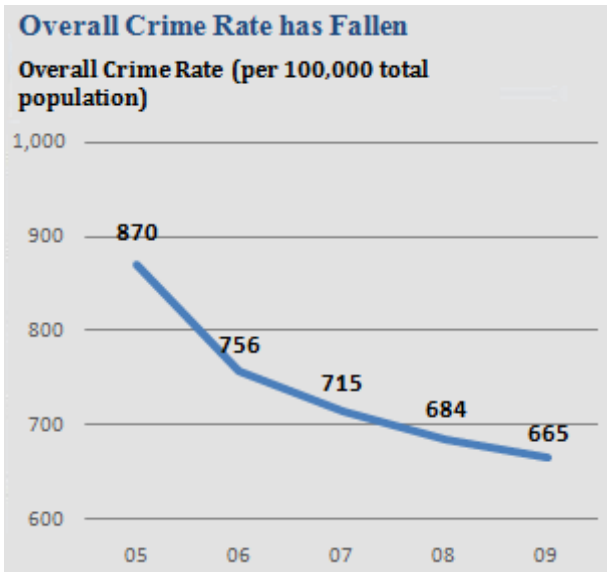
Re-organisation of the SAF into new operational command structures to deal with an expanded range of operations, at home and overseas.

Implementation of new and enhanced career schemes to develop capable and committed people for the 3rd Generation SAF.

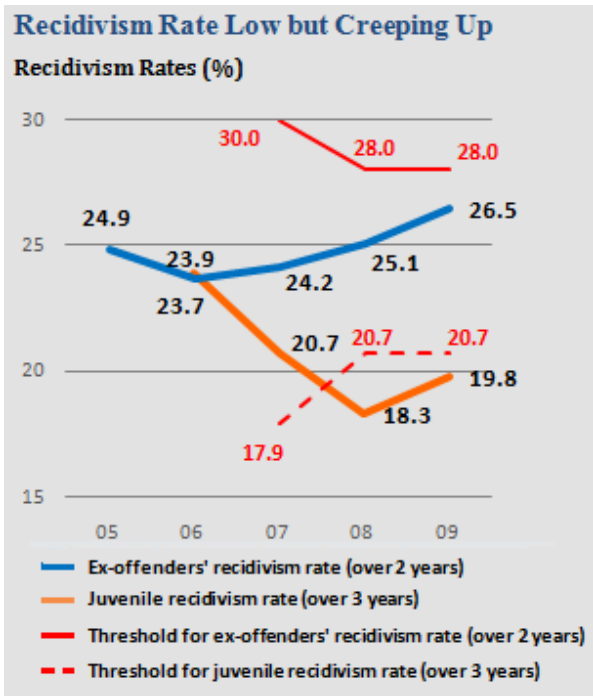


Photo: Ministry of Defence

## Objective: Safe and Secure Home



Singapore’s crime rate has declined steadily over the past five years. This can be attributed to effective police enforcement and strong public vigilance.



However, the recidivism rate of ex-offenders has increased slightly in recent years. The rate is still low by international standards, and a sharp decline from more than 40% a decade ago.



# SECURE AND INFLUENTIAL SINGAPORE

The government, in partnership with the community, has put in place a structured rehabilitation and reintegration regime to support offenders (refer to the following boxes). The agencies are now exploring how this can be improved and refined.

## Public sector efforts to address recidivism and enhance ex-offenders' employability



With the cooperation of families and the community, the Singapore Prison Service addresses offenders' needs, and their propensity to commit crime, from their point of admission through to their release.



The Singapore Corporation of Rehabilitative Enterprises (SCORE) enhances the employability of offenders by providing training and employment assistance, in partnership with the private sector and community partners.

## Community partnerships to help ex-offenders



The Singapore Aftercare Association (SACA) and the Singapore Anti-Narcotics Association (SANA) provide offenders with aftercare assistance to help them adjust to life outside prison.

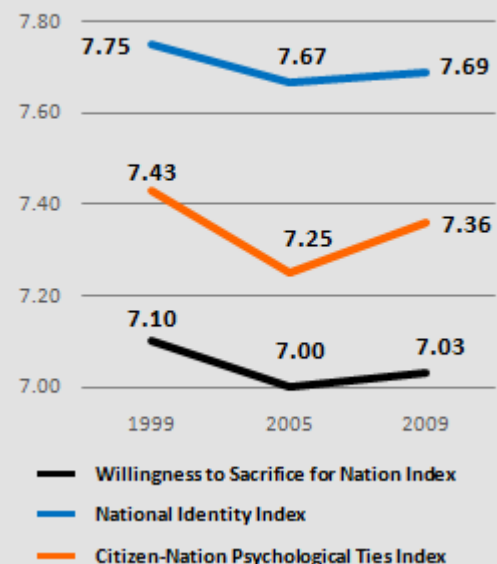


The Yellow Ribbon Project gives ex-offenders a second chance at life. It aims to generate awareness and acceptance of ex-offenders and their families, and to inspire community action to reintegrate ex-offenders into society.

## Objective: Strong National Identity and Resilience

### Strong Sense of Belonging

#### National Orientations of Singaporeans Survey\*



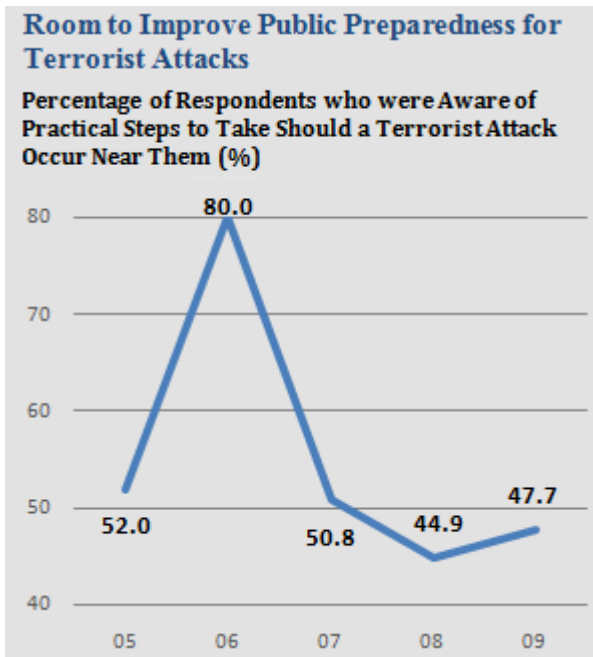
\* The National Orientations of Singaporeans (NOS) Survey is commissioned by the Ministry of Information, Communications and the Arts. The sub-indices are as follows: (a) National Identity Index, which measures the extent to which Singaporeans feel a common sense of national identity; (b) Citizen-Nation Psychological Ties Index, which measures the extent to which Singaporeans value and feel for Singapore; and (c) Willingness to Sacrifice Index, which measures the extent to which Singaporeans are willing to defend Singapore. All the indices are based on a scale ranging from 2 to 10 points.

Over the years, Singaporeans' citizen-nation ties and sense of national identity have remained fairly stable and strong. The public sector supports this outcome through avenues such as:

- Promoting social cohesion, strong community bonds and greater understanding of diverse cultures;
- Enlisting Singaporean males for National Service; and
- Exposing students to national education in schools, junior colleges, polytechnics and Institutes of Technical Education (ITEs).

# SECURE AND INFLUENTIAL SINGAPORE

## Objective: Preparedness for Crisis



[Source: National Security Awareness Survey, Ministry of Information, Communications and the Arts]

Since 2007, public awareness of the importance of crisis preparedness has hovered around 50%. There is room to improve the level of crisis preparedness in Singapore.



Photo: Singapore Civil Defence Force

## Objective: Congenial International Environment

Singapore's external environment is complex. Our diplomacy needs to take into account many uncertainties in the geostrategic, political and economic spheres. Some highlights of our diplomatic work are featured below:

- Pushed for ASEAN integration and the strengthening of ASEAN's external linkages;
- Participated in the 2009 United Nations Climate Change negotiations; and
- Chaired the Asia-Pacific Economic Cooperation (APEC) meetings in 2009.

There remains strong global focus on financial reforms and climate change. Singapore will look to make useful contributions to these multinational efforts.



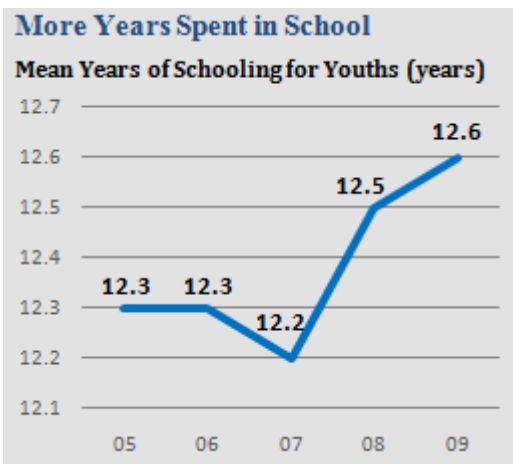
Photo: Ministry of Foreign Affairs

# STRONG FAMILIES, COHESIVE SOCIETY

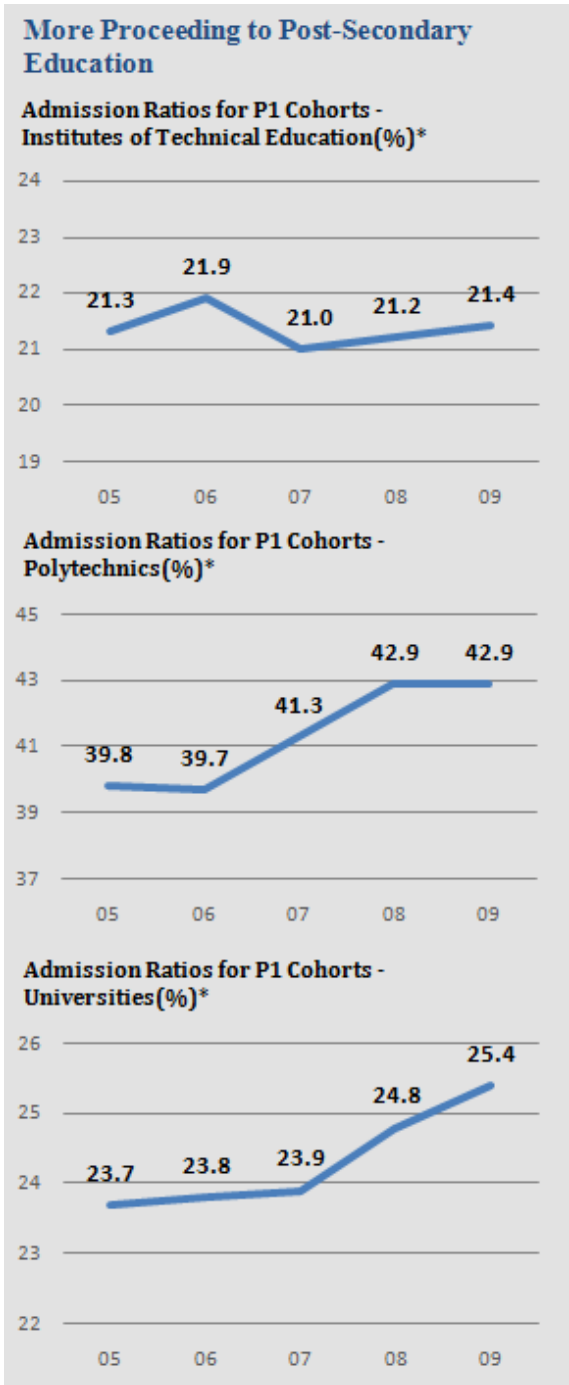
## Objective: Quality Education



Singaporeans continue to enjoy access to quality education from primary to tertiary levels. This is a key lever for social mobility, as it gives all Singaporeans – regardless of background – the best chance of success in the future.



The mean number of years of schooling for youths has increased since 2007, reflecting concerted efforts to reduce attrition and create more opportunities at the post-secondary and tertiary level, to meet the needs of our economy.



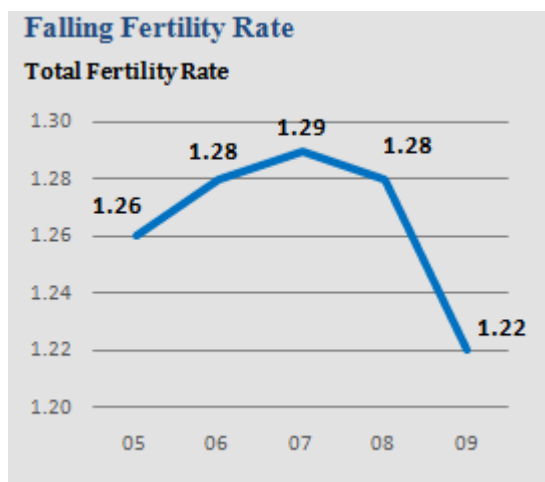
\*As students progress to post-secondary institutions at different ages, the figures are preliminary and subjected to adjustments.

Total admission ratios into the post-secondary institutions have also increased steadily over time. Key initiatives to improve the quality and capacity of post-secondary institutions include the institution of the “One ITE, Three Colleges” framework, the expansion of the capacities of polytechnics and the establishment of the

# STRONG FAMILIES, COHESIVE SOCIETY

Singapore Institute of Technology and the Singapore University of Technology and Design. The university cohort participation rate is targeted to increase to 30% by 2015.

## *Objective: Strong Singaporean Core*



Singapore's population challenge is reflected in Singapore's declining total fertility rate (TFR). In 2009, the resident TFR was 1.22, well below the 2.1 replacement rate.

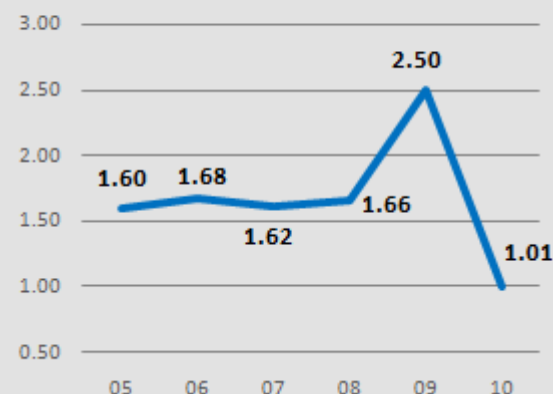
In order to address low birth rates, the government has taken efforts to create a pro-family environment in Singapore. In August 2008, the enhanced Marriage and Parenthood (M&P) package was introduced to provide holistic and comprehensive support to Singaporeans to get married and have children. However, the government recognises that marriage and parenthood are personal decisions, and some Singaporeans may choose not to get married or have more children for various reasons.



Photo: Ministry of Community Development, Youth and Sports

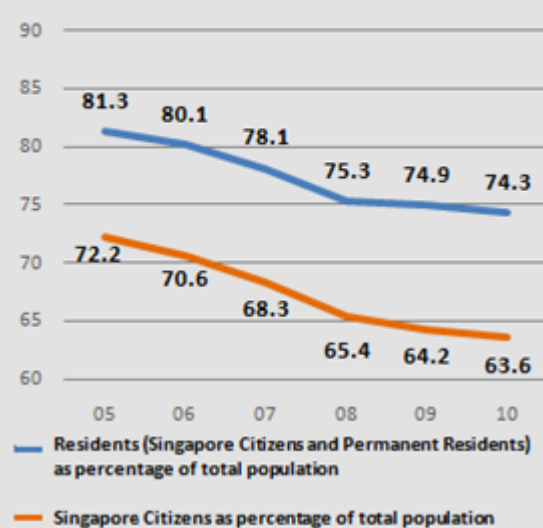
## **Resident Population Growth Slowed with Fewer New PRs**

**Resident Population Growth Rate (as at June) (%)**



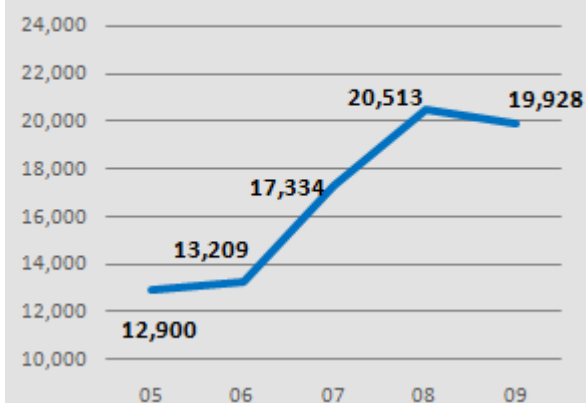
## **Proportion of Residents has Trended Down, but is Stabilising**

**Composition of Total Population (as at June) (%)**



## **More New Citizenships Over Time**

**Number of New Citizenships Granted**





# STRONG FAMILIES, COHESIVE SOCIETY

Singapore's resident population - comprising Singapore citizens and permanent residents (PRs) - has steadily increased over the last decade. However, growth slowed in 2010 due to fewer new PRs and citizens (see Feature Box 4).

The proportion of residents in the total population has declined over time due to an increase in the number of non-residents (comprising transient foreigners working, studying and living in Singapore). While most Singaporeans understand the need for immigration, they have nevertheless voiced concerns over the pace of inflow of immigrants and its impact on our society. Specific concerns include job competition, rising property prices, crowding in public transport, and the character of our society.

The government has adopted the proposals of the Economic Strategies Committee to keep the foreign share of the workforce at no higher than one-third over the long term, while allowing for short-term variations over the course of the economic cycle. However, with low fertility, Singapore must remain open to high-calibre immigrants so as to augment our population and sustain our competitiveness.



Photo: Housing and Development Board

Overseas Singaporeans (OS) are an integral part of Singapore society. We will continue to engage OS and keep them connected to home and with fellow Singaporeans through various initiatives and outreach events.

## Feature Box 4:

### Addressing Impact of Immigration

The government will take into consideration how quickly our society can absorb and integrate new immigrants without diluting national identity and weakening social cohesion.

Since the last quarter of 2009, the government has tightened the framework for granting permanent residency and citizenship to better manage the inflow and raise the quality of new immigrants. Fewer new immigrants were granted permanent residency and citizenship in 2009. The number of PRs granted in 2010 will also be less than that in 2009.

With the population becoming more diverse, more effort has been put into integrating PRs and citizens into Singapore society. These efforts are spearheaded by the National Integration Council, which was set up in April 2009 to promote and foster social integration among Singaporeans and newcomers.

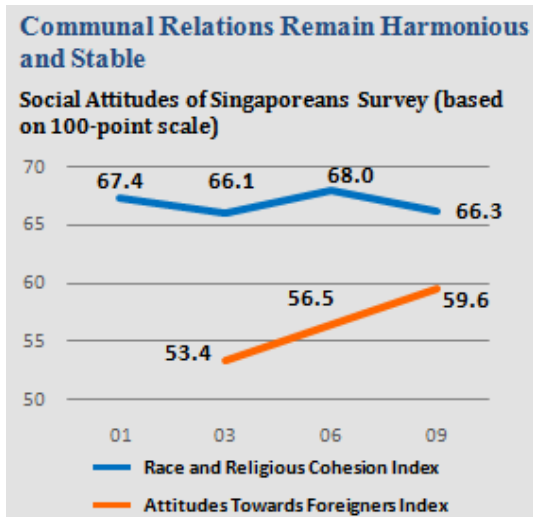
Further, measures have been undertaken to manage the growth of the non-resident population. The majority of these non-residents are transient work permit holders who are here to fulfil short-term economic and labour force needs. They are not eligible for permanent residency or citizenship. The government has introduced higher foreign worker levies and tightened dependency ratios for specific sectors so as to ensure that the economy's dependence on foreign labour does not grow indefinitely, and hence remains at no more than one-third of the total workforce.

In the meantime, national infrastructure in housing, transport and other amenities is being enhanced to accommodate gradual population growth.

Even as we allow the entry of good quality immigrants, who can contribute to Singapore, Singaporeans will continue to enjoy priority over non-citizens. The government has made sharper distinctions between the benefits Singaporeans, PRs and other foreigners enjoy, in areas such as housing, education, and healthcare.

# STRONG FAMILIES, COHESIVE SOCIETY

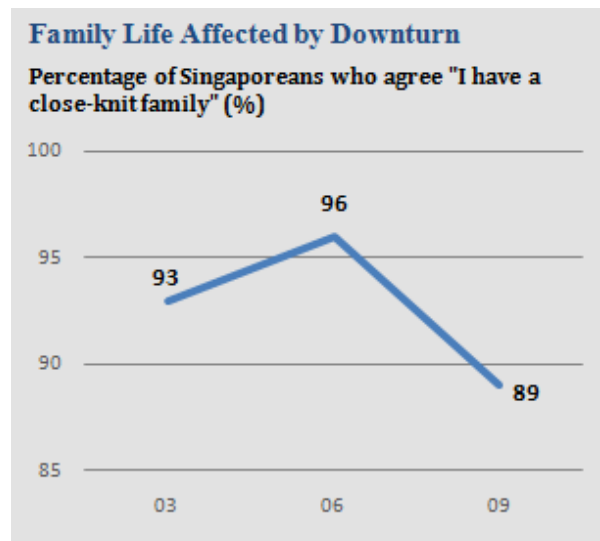
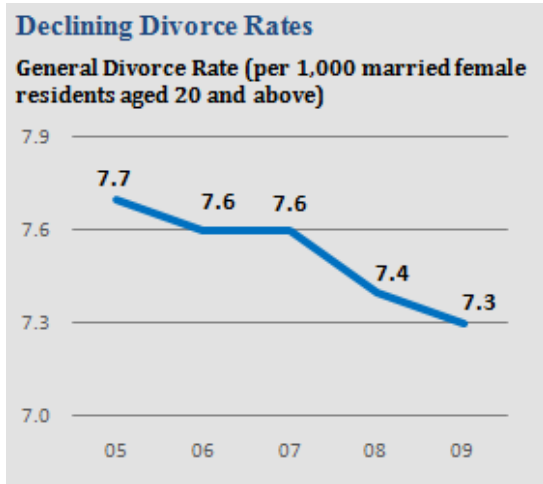
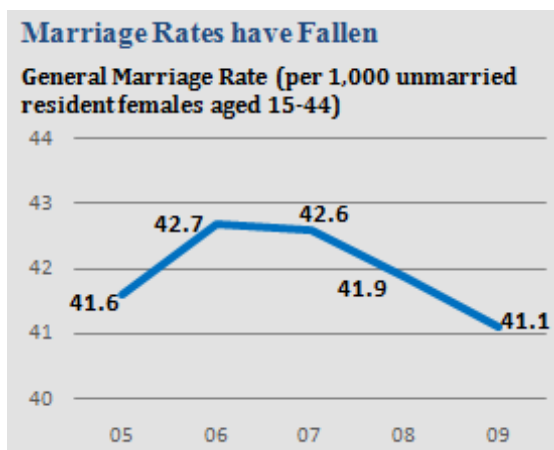
## Objective: Racial and Religious Harmony



Survey indicators on race and religion cohesion and attitudes towards foreigners indices suggest that Singapore's communal relations are harmonious and stable.

The government and the community have worked in tandem to maintain harmonious communal relations in Singapore. For example, the government supports the community's Inter-Racial and Religious Confidence Circles (IRCCs) to promote greater inter-racial and religious interaction and understanding. We must continually remind ourselves of the importance and fragility of racial and religious harmony.

## Objective: Strong Families, More Families



[Source: Survey on Social Attitudes of Singaporeans, Ministry of Community Development, Youth and Sports]

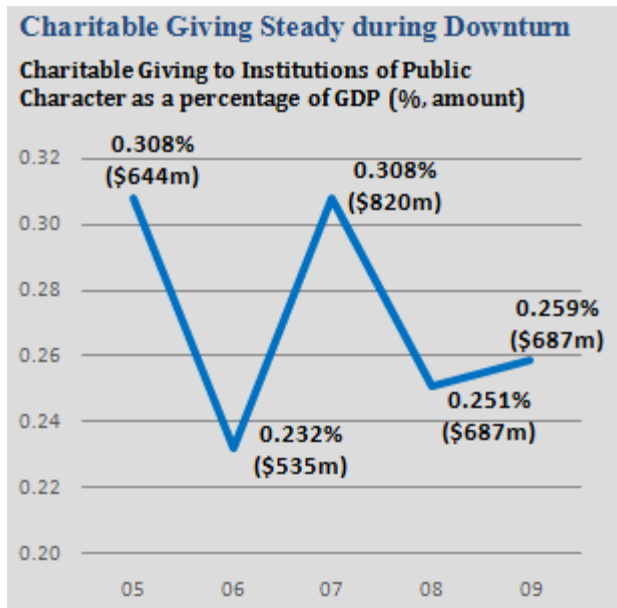
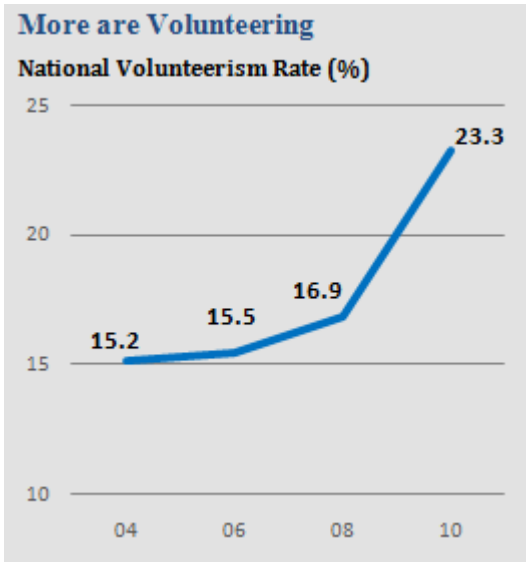
Marriage rates have fallen, but divorce rates have declined as well. The 2009 decline in the proportion of Singaporeans who agree they have a close-knit family may be due to the stresses of the economic downturn. The government will continue to monitor this trend.



Photo: Ministry of Community Development, Youth and Sports

# STRONG FAMILIES, COHESIVE SOCIETY

## Objective: Caring and Inclusive Society



Singaporeans demonstrated their care for the less fortunate, through volunteerism and charitable giving. More people are volunteering, especially since the launch of “Singapore Cares”<sup>4</sup> in September 2009.

<sup>4</sup> Singapore Cares (SG Cares) is an initiative that provides the first stop for those who want to volunteer in Singapore. It offers flexible volunteering opportunities to individuals with tight schedules who might otherwise be unable to volunteer.

To encourage charitable giving, tax deductions for donations made to Institutions of Public Character (IPCs) were raised from 200% to 250% for 2009 and 2010.

The ComCare Endowment Fund provides the final social safety net for needy Singaporeans. ComCare policies and programmes are continually reviewed to ensure that the assistance provided is adequate, flexible and relevant. For example, during the economic downturn, the Work Support Programme was temporarily enhanced to help more families for longer periods of time.

Singapore as a global city is vulnerable to economic and commodity shocks that affect the lower-income disproportionately. The government will further improve its support for social services, and also focus on upstream measures to help those in the lower-income groups.

# EFFECTIVE GOVERNMENT

*Objective: Dynamic, Forward-looking Public Service Leadership; Rule of Law*



\* The 'Efficiency of Legal Framework' indicator in the World Economic Forum's Global Competitiveness Report was split into two separate indicators in 2009: (i) 'Efficiency of legal framework in settling disputes' (1st in 2009 and 1st in 2010) and (ii) 'Efficiency of legal framework in challenging regulations' (4th in 2009 and 6th in 2010).

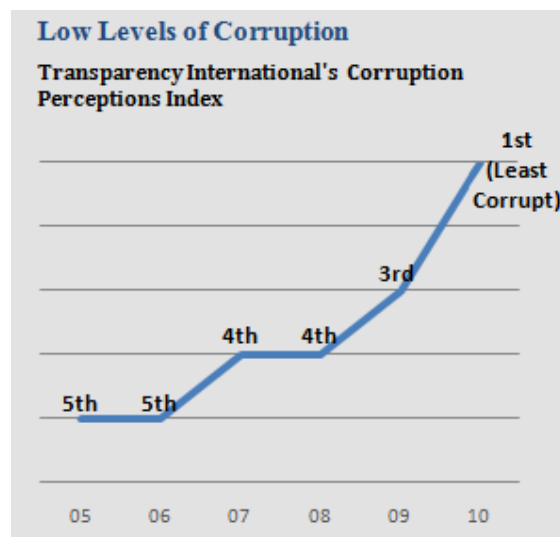
The outcomes of good leadership, rule of law and integrated government are difficult to measure quantitatively. Still, rankings by

credible third parties help to give an indication of how Singapore's performance is perceived. Internationally, Singapore ranks among the top across a wide range of measures. The government is seen as effective, the quality of regulation is high, and our legal framework is well-regarded.



Photo: Supreme Court

*Objective: Incorruptible and Committed Public Officers*



Singapore's ranking in Transparency International's Corruption Perceptions Index has climbed from 5th in 2005 to 1st (jointly with New Zealand and Denmark) in 2010. The government's tough stance on corruption is a key competitive advantage that enables Singapore to remain efficient and attractive to investors.



# EFFECTIVE GOVERNMENT

## Objective: Customer-centric and Consultative Government



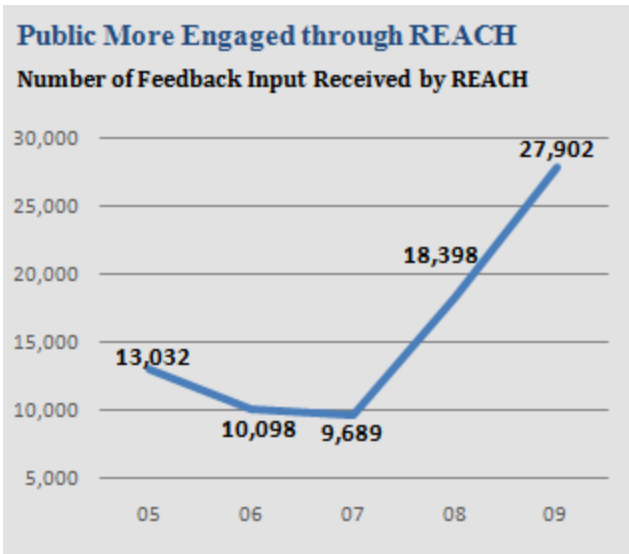
[Source: e-Government Customer Perception Survey, Ministry of Finance & Infocomm Development Authority]



Customer satisfaction with government electronic services has risen. The World Bank has, for five years in a row, ranked Singapore as the best place to do business, in its annual Doing Business report. Measures introduced to improve customer satisfaction and responsiveness include IRAS' No-Filing Service, the Online Business Licensing Service and the Unique Entity Number.



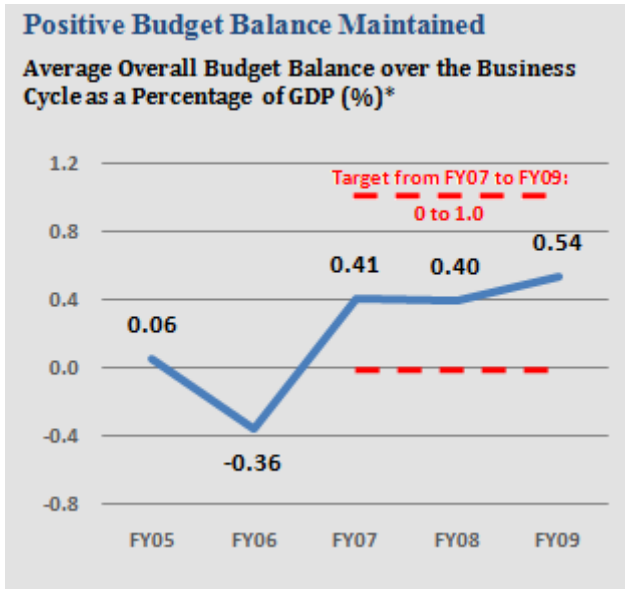
Photo: Housing and Development Board



The volume of feedback received by REACH has increased since 2007. The public sector will continue to build up its capabilities to engage stakeholders through different platforms including new media, and to respond to public feedback in a timely and effective manner.

# EFFECTIVE GOVERNMENT

## Objective: Fiscal Sustainability; Effective and Efficient Use of Resources



\* The average budget balance refers to the average of the current and preceding five years' budget balances.

Due to the extraordinary circumstances posed by the financial crisis in 2009, the government responded with a \$20.5 billion Resilience Package in Budget 2009. The government also sought and received the President's approval to draw on past reserves for the first time, to fund two exceptional and temporary measures to boost the economy – the Jobs Credit Scheme (JCS) and the Special Risk-Sharing Initiative (SRI).

With the marked recovery in the Singapore economy in 2009 and 2010, the government announced a phasing out of the JCS by mid-2010. Budgetary policy has also shifted from a focus on economic stimulus towards supporting longer-term economic competitiveness and social resilience.

Singapore's forceful response to the crisis was possible due to healthy public finances, built on a long tradition of fiscal prudence. The government maintains a stable revenue base,

spends only what it can afford, and builds up reserves for contingencies.

Singapore has maintained the highest possible sovereign credit rating of 'AAA' since 1995. The government has not had to borrow to finance expenditure or fund past deficits. This has also bolstered investor confidence in Singapore amid difficult economic conditions over the past two years, which have seen many other countries experience deteriorating credit ratings. Our strong sovereign credit rating remains a source of competitiveness for companies based in Singapore.

### Feature Box 5:

#### Meeting the Challenge of Increased Expenditures

Over the medium term, public sector expenditures will increase significantly as we rejuvenate our housing estates and make major investments in education, transport and healthcare. These include the development of the Singapore University of Technology and Design, the Thomson MRT Line and the Jurong General Hospital.

To meet this challenge, government revenues have been restructured over the last few years, in particular by raising the Goods and Services Tax (GST) to 7% and amending the Constitution to allow additional spending from Net Investment Returns (NIR) on foreign reserves. The stronger revenue base has allowed the government to embark on the significant investments in infrastructure mentioned above, as well as to introduce major social initiatives to help the lower-income group, such as Workfare.

Many of the new infrastructural projects are also large in scale and complex to manage. The public sector will also therefore enhance its ability to manage the potential fiscal risks such as cost overruns and ensuring value-for-money. We have also built up our project management capabilities to deliver these major projects in a timely and cost-effective manner.