



SINGAPORE PUBLIC SECTOR OUTCOMES REVIEW

2014

About the Singapore Public Sector Outcomes Review (SPOR)



The biennial SPOR takes stock of how Singapore has fared in key areas of national interest. It focuses on whole-of-government outcomes and indicators that reflect the current and emerging policy concerns and issues. Coordinated by the Ministry of Finance with inputs from all Ministries, SPOR provides a report on the strategies, programmes and resources that are employed by our public agencies to achieve these outcomes.

MINISTRY OF FINANCE

Republic of Singapore
August 2014

Overview

Singapore has entered a new phase of development, as a maturing economy and society.

We are focused on achieving quality growth, driven by innovation and productivity, so as to sustain rising living standards for all Singaporeans. While unemployment remains low and the labour market tight, the necessary upgrading of productivity continues to be work in progress, with gaps especially in services and construction. We need to press on with economic restructuring, and provide businesses with strong support for initiatives to boost productivity. Our Continuing Education and Training (CET) system is also being strengthened to help Singaporeans upgrade their skills and achieve their career aspirations.

Lower- and middle-income households enjoy significantly higher incomes today, after accounting for inflation, compared to five years ago. Income inequality has also fallen. However, domestic cost pressures and a rising cost of living remain key challenges going forward.

We are making significant enhancements in social policy, to build and sustain a fair and equitable society. We are providing stronger support for those who start off with less, and investing in diverse and flexible pathways to enable everyone to earn their own success. Our social safety nets are also being strengthened to help the vulnerable. Importantly, as Singapore approaches its 50th year, special recognition is being given to the Pioneer Generation of Singaporeans who helped bring the country to where it is today.

Good and affordable healthcare is a key concern on Singaporeans' minds. The Government will keep healthcare affordable through government subsidies, Medisave top-ups and the new MediShield Life which will be in place from end-2015. In addition, our healthcare capacity is being significantly expanded. Between now and 2020, one new hospital and polyclinic will open every year, on average.



We are strengthening the Central Provident Fund (CPF) system further to help Singaporeans retire with peace of mind. In recent years, we introduced more Workfare benefits for lower-income workers and increased the CPF contribution rates for older workers.

The housing market is stabilising, following a sharp run-up in prices in recent years. Buyers of Housing & Development Board (HDB) flats have also benefitted from a significant increase in flat supply, more choices and enhanced government grants. Much work lies ahead in the upgrading of existing towns, as well as the enhancement of the parks, sports facilities, and arts and cultural activities that make Singapore a better home for all.

Public transport remains an area for improvement, amid concerns about the reliability and overcrowding of train services. We are investing heavily to increase capacity and raise service standards. By 2017, 1,000 new buses will be on the roads, and the Mass Rapid Transit (MRT) Downtown Line will be fully operational.

While crime rates fell to a record 30-year low in 2013, the Little India Riot and cyber attacks on government websites in end-2013 highlight other risks faced

by Singapore. Learning from these incidents, the Government will be improving policing capabilities to deal with rioting incidents and bolstering our cyber defences.

We will be strengthening National Service (NS), including setting up the Singapore Armed Forces (SAF) Volunteer Corps where women, Permanent Residents (PRs) and new citizens can contribute. Beyond our shores, we continue to maintain strong ties with our international partners. Singapore has been actively participating in the G20 and United Nations (UN) forums, and is working with its neighbours to establish an ASEAN Community by end-2015.

Good governance is crucial in keeping Singapore a dynamic city and inclusive society. The Government must remain effective and maintain the trust of Singaporeans. Firm actions have been taken to prosecute errant public officers, regardless of seniority, and we will not hesitate to take further measures to uphold the integrity of our public institutions. We are also stepping up efforts to enhance citizen engagement and improve public service delivery.

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A Nation of Opportunity

Helping Every Child Succeed



Greater focus on holistic education, emphasising values, sports, art and music



Better career prospects for polytechnic and ITE students through stronger industry linkages and apprenticeship



New applied degree pathways and stronger focus on practical application

Upgrading Skills, Enhancing Incomes



Economic restructuring for better quality jobs:
A journey ahead



A more progressive fiscal system to mitigate inequality



Stronger push for Continuing Education and Training:
1 in 3 workers now participate

Helping Businesses Improve Productivity



More than 50,000 companies have benefitted from productivity support, with more smaller enterprises coming onboard



40% of employees' wage increase co-funded by Wage Credit Scheme

Quality Growth to Benefit All Singaporeans

DESIRED OUTCOMES

- Sustainable Income Growth
- Macroeconomic Stability
- Thriving, Vibrant Enterprise Ecosystem
- Globally Competitive Workforce

Singapore has made significant shifts in recent years to achieve quality growth, driven by innovation and improved productivity. This is necessary to enable us to sustain rising incomes for all Singaporeans. It will also allow us to reduce our dependence on foreign workers.

In support of these efforts, we have tightened foreign worker policies in progressive steps since 2010, and introduced major incentives for firms to improve productivity.

Even though Singapore's economic growth spiked in 2010 due to a strong recovery from the global financial crisis, growth has moderated since then. While the external environment has been sluggish, the underlying factors behind slower growth have been the tight labour market and weak productivity growth. Unemployment has remained low at less than 3%.

In the near future, we expect the global economic outlook to improve slightly. However, it is essential that we continue our restructuring efforts to raise productivity in order to sustain quality growth. This is fundamentally the only way that companies can cope with the tight labour market and rising costs.

Economic growth picked up in 2013

Real Gross Domestic Product Growth Rate
(at 2010 prices) (%)

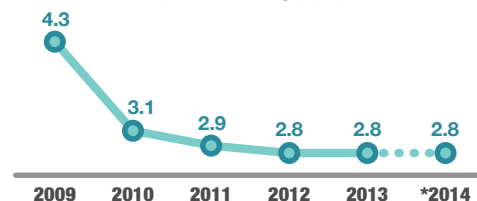


* Based on advance estimates, up to Jun 2014

Source: Department of Statistics

Unemployment remained low

Resident Unemployment Rate
(annual average) (%)



* Refers to seasonally adjusted data for Jun 2014 (preliminary)

Source: Ministry of Manpower

Economic Restructuring for Quality Growth

Recent productivity figures have been weak, due partly to cyclical factors - in particular the strong employment growth in less productive sectors such as construction, food services and retail.

However, there are signs of progress on the ground, e.g. mature Small and Medium Enterprise (SME)-dominated industries like precision engineering and food manufacturing have undergone retooling and are experiencing significant productivity growth.

We also recognise the importance of innovation in achieving quality growth and have committed \$16.1 billion in funding under the Research, Innovation and Enterprise (RIE) Plan, over FY11-15. This is a 20% increase over the earlier five-year national RIE plan from FY06-10, and has helped to catalyse business investment in Research & Development (R&D).



Productivity improvements not yet widespread

Labour Productivity Growth
(based on GDP at 2010 prices) (%)



* Up to Mar 2014

Source: Department of Statistics

HELPING BUSINESSES WITH COSTS AND RESOURCES

LABOUR

The Productivity and Innovation Credit (PIC) helps businesses pay for investments that raise productivity. Over \$1 billion of support has been given so far, mostly to SMEs. An enhanced PIC+ scheme was introduced in 2014 to provide further help for SMEs.

The Wage Credit Scheme, introduced in 2013 as part of a three-year Transition Support Package, co-funds employees' wage increases. This helps businesses to share productivity gains with their employees.

The SME talent programme was launched in 2013 to attract young talent to SMEs. So far, close to 400 students have been matched with SMEs for internships and scholarships.

SPACE

JTC Corporation's new industrial spaces, e.g. Food Hub, allow businesses in the same industry to share services, thus reducing their costs of operations.

The supply of multiple-user factory space over the next three years will increase substantially to ease pressure on industrial rents.

TRANSPORTATION

Road tax rebates were given in 2013.

A further five-year Certificate of Entitlement (COE) extension was granted for commercial vehicles for which COEs had been renewed once.

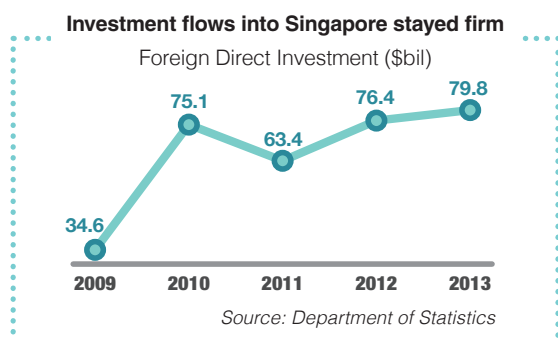
The Early Turnover Scheme was enhanced in 2014 to lower the replacement costs of old commercial diesel vehicles.

Maintaining a Competitive Economy

Singapore continued to rank among the world's most competitive economies:

- Second in the World Economic Forum's Global Competitiveness Report 2014.
- First in the World Bank's Ease of Doing Business Report 2014.

Foreign investors maintained their confidence in Singapore, with inflows of foreign direct investments reaching a high of \$79.8 billion in 2013.

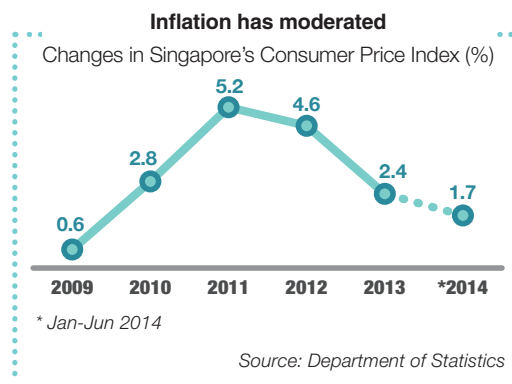


Maintaining a Stable Cost of Living and Enhancing Incomes

Keeping inflation low helps Singaporeans maintain a quality standard of living. In 2013, government measures to contain price increases in COEs and accommodation costs¹ led to lower inflation.

In 2014, inflation is expected to be between 1.5% and 2.5%. Domestic cost pressures, particularly stemming from a tight labour market, are likely to remain the primary source of inflation.

To facilitate sustainable growth, the Monetary Authority of Singapore (MAS) has maintained a modest, gradual appreciation of the Singapore dollar to contain inflation and ensure medium-term price stability.



¹ The same trends can be observed if imputed rental (which has no impact on the cash expenditure of most households in Singapore as they already own their homes) on owner-occupied accommodation was excluded: inflation fell to 1.9% in 2013 from 3.6% in 2012.

Adopting a longer-term and more sustainable approach to help Singaporeans (especially the lower- and middle-income groups) cope with rising costs of living, the Government introduced initiatives to help them upgrade their skills, obtain good jobs and earn higher incomes.

Some of these initiatives include:

- Enhanced Workfare in 2013 to supplement the income and retirement savings of older, lower-wage Singaporean workers, and to provide further support for them to upgrade their skills.
- The Progressive Wage Model in the cleaning sector to provide a pathway for low-wage cleaners to earn higher wages with better skills and productivity.

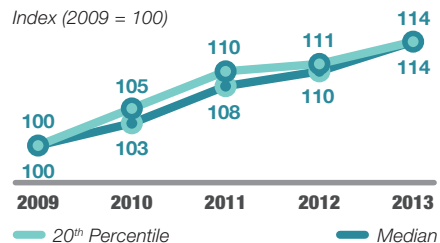
In 2013, Singaporean workers at the 20th percentile and median income levels earned \$1,800 and \$3,480 per month respectively. This is an increase of 6% and 9% respectively since 2009, after accounting for inflation².

The same trend can be seen at the household level. Singaporean households, at the 20th percentile and median levels, earned \$1,011 and \$2,114 respectively per household member in 2013. This is an increase of 14% since 2009 for both groups, after accounting for inflation³.

Incomes have risen steadily since 2009

Real Monthly Household Income from Work per Household Member among Citizen Employed Households

Index (2009 = 100)



Source: Department of Statistics

ENSURING A STABLE PROPERTY MARKET FOR SUSTAINABLE GROWTH

Private residential property prices increased by 62% from its low point in 2Q2009 to 3Q2013, driven by low interest rates and continued income growth in Singapore.

The Government has introduced several rounds of measures to cool demand and expand supply, in order to moderate the increase in housing prices and encourage financial prudence among borrowers. These include:

- Raised taxes on property transactions, e.g. Seller's Stamp Duty and Additional Buyer's Stamp Duty.
- More land for residential property developments.
- Capped mortgage tenures and reduced loan-to-value ratios on property loans.
- A Total Debt Servicing Ratio framework for property-related loans from financial institutions.

² Based on the Consumer Price Index (CPI) All-Items index, which includes imputed rentals (i.e. not involving actual cash expenditure) on owner-occupied accommodation.

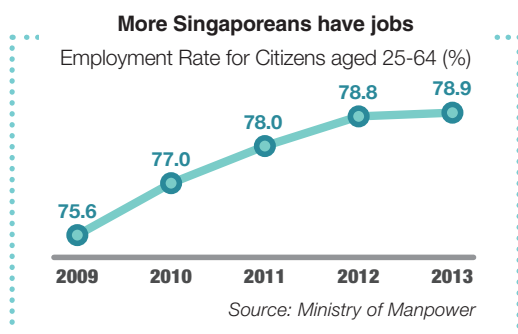
³ Based on the CPI All-Items index for the lowest 20% and middle 60% of households respectively.

Abundant Work and Education Opportunities

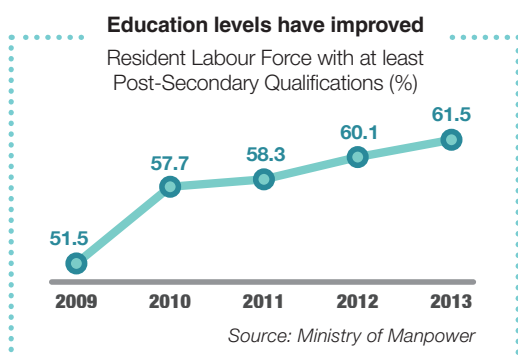
DESIRED OUTCOMES

- Good and Diverse Job Opportunities
- Lifelong Learning and Employability
- Opportunities for Every Child to Excel
- Holistic Education Centred on Values

Our efforts in employment are inclusive and aimed at helping all Singaporeans, particularly lower-skilled and older workers, make progress. Overall, employment has remained healthy, with more Singaporeans able to find jobs and join the workforce in the last five years.



More Singaporeans have the potential to take on specialist, managerial and leadership roles, with the education levels of our workforce having improved significantly over the past five years. This trend is expected to continue, alongside our efforts in education and lifelong learning.



Over the next three years, about 40,000 to 45,000 young Singaporeans are expected to enter the job market each year.

To better support their career aspirations, we have taken steps to create a range of meaningful jobs. Examples include:

- Moving existing clusters in the manufacturing sector up the value chain, supported by R&D to strengthen capabilities.
- Assisting businesses in the Exportable Services sector⁴ to enter new, higher-value clusters that play to the strengths of our workforce (e.g. in the area of infrastructure services, for which there is high demand in Asia).

We will develop career pathways, applied learning tracks and apprenticeship programmes to attract and prepare Singaporeans to take up these good job opportunities.

In addition, the Fair Consideration Framework has been implemented to encourage companies to consider Singaporeans fairly for job opportunities. This, together with the Jobs Bank, will promote a more transparent and efficient job market.

⁴ Includes wholesale trade, transportation and storage, and information and communications clusters.

Helping Every Child Succeed



The 2012 Organisation for Economic Co-operation and Development Programme for International Student Assessment (OECD-PISA) study revealed that Singaporean students excel in thinking flexibly and creatively to solve complex and unfamiliar problems. These are skills that are valued in the 21st century and the Government is taking further steps to ensure that the next generation is equipped to take on challenges in an increasingly volatile and uncertain world.

We will focus on holistic education by increasing emphasis on values, character and citizenship education. For example, the Community Involvement Programme (CIP) has been reframed as Values-in-Action, to place a stronger emphasis on the nurturing of values through community involvement.

In addition, our children will have more exposure to sports, art and music.

Our aim is for each school to be good in its own way, by:

- Nurturing engaged learners.
- Enabling caring and inspiring educators.
- Offering varied programmes that cater to our children's different strengths and interests.
- Fostering supportive partnerships with parents and the community to achieve the desired outcomes of education for every child.

There will be diverse and flexible pathways for every child to succeed.

We aim to enhance the academic progression and career prospects for polytechnic and Institute of Technical Education (ITE) students, by strengthening industry

linkages and ensuring that they receive work-relevant training. Better education and career guidance will also be provided, to help students make more informed choices.

The number of university places will be expanded with the Singapore Institute of Technology (SIT), our fifth autonomous university, as well as through the new publicly-funded full-time degree programmes at UniSIM. There will be a stronger focus on practical application, with new applied degree pathways.



Lifelong Learning to Enhance Employability

Learning does not end with formal education in schools. Continuing Education and Training (CET) plays an important role in helping Singaporeans adapt and stay relevant to changes in our economy. We have made significant investments in these areas.

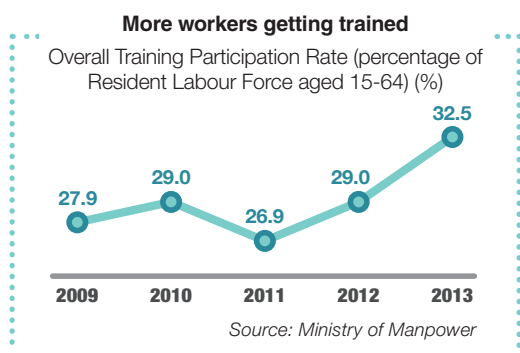
Training programmes are heavily subsidised to ensure that they are accessible to all Singaporeans. From 2012, we have enhanced training subsidies and absentee payroll support for SMEs, to encourage them to send workers for training.

We have expanded CET capacity, from 19 centres in 2008 to 51 in 2014. Two new CET institutes – the Devan Nair Institute in Jurong and the Lifelong Learning Institute in Paya Lebar – will open up more spaces for Singaporeans to upgrade their skills.

These investments, along with increased outreach efforts, have raised the proportion of the labour force participating in training each year, to a high of 32.5% in 2013.

The Government will continue to promote lifelong learning by injecting a further \$500 million into the

Lifelong Learning Endowment Fund, bringing the total Fund size to \$4.6 billion. The Fund aims to make the CET system more relevant to the evolving needs of workers and businesses.



We will also support SMEs through the Enterprise Training Support scheme, with a total funding of \$20 million to be made available to companies from 2013 to 2015. As of December 2013, this scheme has benefitted 12,500 local workers from 68 companies, of which 71% are SMEs.

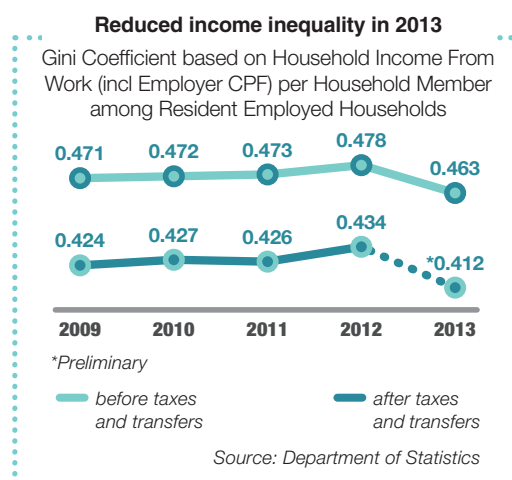
The Government is reviewing the CET Masterplan on three fronts:

- Greater emphasis and support for self-initiated upgrading.
- More help for companies to integrate CET into business strategy and performance management.
- A more responsive CET system to meet the evolving needs of growth sectors.

Lower Income Inequality through an Inclusive Approach

The Government's efforts in economic restructuring and lifelong learning have contributed to income growth for lower- and middle-income Singaporeans.

In addition, we are providing further support for those at the lower end of the income ladder through government transfers. Together with Singapore's progressive fiscal system, we have been able to lower income inequality, as measured by the Gini coefficient⁵.



⁵ The Gini coefficient has a scale of 0 to 1, where 0 indicates perfect income equality and 1 indicates perfect income inequality. The Gini coefficient after accounting for government taxes and transfers has been revised to incorporate improved coverage of government taxes and transfers.

02

A Caring and Cohesive Society

Assurance of Good and Affordable Healthcare



Enhanced subsidies for all and lifelong support for Pioneer Generation



MediShield Life: Better Protection. For All. For Life.



Growing healthcare capacity and manpower

Helping Singaporeans Retire with Greater Peace of Mind



Increase in CPF contribution rates for older workers

More Workfare benefits for lower-income workers

1% higher Medisave contribution rate by employers

Resilient Families and a Caring Community



Stronger support for marriage and parenthood



Deepening the culture of volunteerism



20 Social Service Offices by 2015 to provide one-stop social assistance

Singaporeans at the Heart of Population Policies

DESIRED OUTCOMES

- Strong Singaporean Core
- Resilient Families and Communities

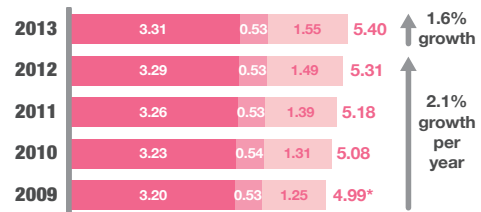
Our population policies put Singaporeans first, and are centred on nurturing strong families and communities. Singapore had the slowest population growth in the last nine years, following the slowdown in foreign worker growth and tightening of our immigration policy since late-2009. Most of the foreign worker growth last year was in the construction sector to support infrastructure developments.

Singapore's resident Total Fertility Rate remains well below the replacement rate. We continue to support Singaporeans in their aspirations to marry and have children, and will continue to work with community partners to promote family life.



Stable core of Singapore Citizens and Permanent Residents

Composition of Total Population (million)



* Numbers may not add up due to rounding

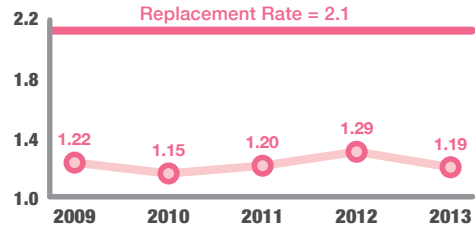
■ Citizens ■ PRs ■ Non-Residents

Source: Department of Statistics

Fertility still too low

Total Fertility Rate (per female)

Replacement Rate = 2.1



Source: Department of Statistics

Supporting Marriage and Parenthood

We have introduced more support for Singaporeans in their marriage and parenthood journeys:

- Married couples can rent a flat from the Housing & Development Board (HDB) while waiting for their new flats to be ready, under the Parenthood Provisional Housing Scheme.
- Engaged couples can apply for a flat in advance while they wait to register their marriage (within three months of moving into the flat). This scheme has also been extended to divorced/widowed persons with children.
- The Parenthood Priority Scheme gives priority allocation of direct-purchase HDB flats to first-time married couples expecting a child or who have a citizen child below the age of 16.
- The Baby Bonus cash gift has been enhanced to give more support to parents.
- Each newborn citizen receives a Medisave grant of \$3,000.
- MediShield has been extended to cover congenital and neonatal conditions, to better support children's healthcare needs.

To give every child a good start, the Government has taken significant steps to improve the accessibility, affordability and quality of early childhood services:

- Set up the Early Childhood Development Agency.
- Set up about 70 new childcare centres in 2013. We will have at least 130 more childcare centres by 2017.
- Made childcare and kindergarten more affordable to parents through enhancements to the Child Care Subsidies and the Kindergarten Fee Assistance Scheme (KiFAS).



Kindergarten Fee Assistance Scheme (KiFAS)

Monthly fee assistance:

▲ from \$108 to **\$160**

Qualifying household income:

▲ from \$3,500 to **\$6,000**

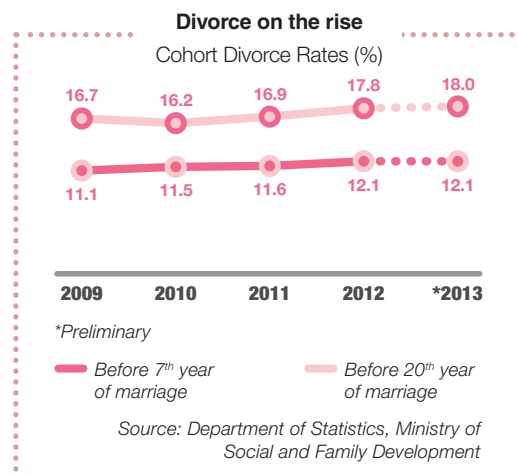
- Enhanced the quality of early childhood services by improving the curriculum, adopting best practices and enhancing the Singapore Pre-School Accreditation Framework (SPARK).
- Created more structured professional development pathways for early childhood sector professionals.



Supporting Resilient Families

Singaporeans continue to enjoy strong family ties. In 2013, 94% of respondents to a Ministry of Social and Family Development (MSF) survey agreed that they have a close-knit family.

However, there has been a gradual but steady increase in divorce rates, with about 7,000 divorces and some 6,500 children affected by such break-ups every year. The MSF and the Ministry of Law will introduce a new pre-divorce programme, which highlights to couples the importance of prioritising children's welfare and the practical considerations of divorce, e.g. housing and care of children.



We have devoted \$40 million between 2013 and 2016 to support FamilyMatters!, a joint effort among schools, workplaces, businesses and community partners to promote family life.

To better support work-life harmony and shared parental responsibility, the Government introduced one week of government-paid paternity leave and one week of government-paid shared parental leave. In addition, employers who implement work-life strategies for their employees can tap on the Work-Life Grant.

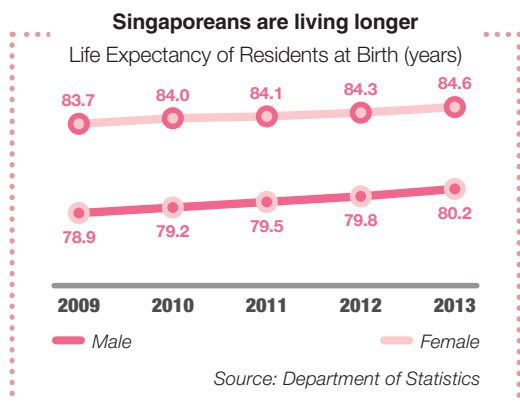
Assurance of Good and Affordable Healthcare

DESIRED OUTCOME

• Assurance of Good and Affordable Healthcare

Singaporeans enjoy good health outcomes, comparable to developed countries like Japan and South Korea. This is possible because of established public health infrastructure and preventive health programmes, high standards of public hygiene, and quality healthcare.

We continued to make progress on the “Healthcare 2020” Masterplan, which aims to improve the accessibility, quality and affordability of healthcare.



Promoting Healthy Living

The Healthy Living Master Plan was launched in April 2014. It aims to make healthy living natural and effortless for Singaporeans, wherever they are:

- At workplaces: Employees can readily access healthier meal options and fitness amenities and programmes, despite their busy work schedules.
- In the community: Residents can readily access healthier food options and are presented with visual cues to encourage physical activity.
- In schools: Oral care is extended to pre-schoolers and children are provided with whole grains, fruits and vegetables through the Healthy Meals Programme in childcare centres and schools.

In addition, a point-of-sale display ban for tobacco will be implemented in 2016.

Improving Healthcare Capacity and Outcomes

We are growing our healthcare capacity and manpower to better cater to an ageing population. These measures include:

- One new hospital (acute or community) on average every year, until 2020.
- Six new polyclinics by 2020.
- Three new Community Health Centres in 2014 to support General Practitioners (GPs) with allied health and nursing services (e.g. eye screening).
- More home and community-based care to help our seniors age gracefully at home.
- Larger intakes of medical and nursing students.
- Attracting mid-career professionals and nurses who are keen to return to active practice.

While our healthcare system provides good health outcomes, we will continue to work on our service standards, particularly in primary care, community-based and home care. We will better integrate health and social care services, and promote enhanced standards to improve the quality of care in the long-term care sector.

We are implementing measures to enable our seniors to age-in-place gracefully when they become frail. Capacity in long-term care services is being expanded.



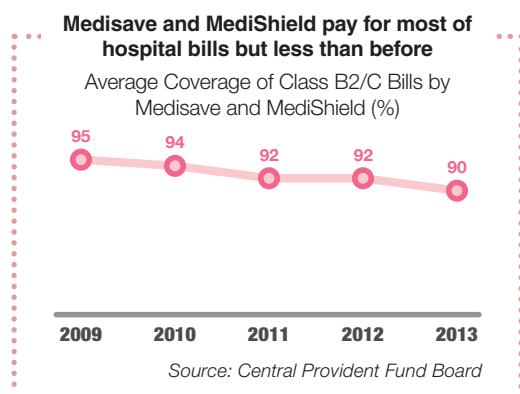
| | End-2013 | 2020 |
|------------------------|-------------------|--------------------|
| Home Healthcare | 5,400 home places | 10,000 home places |
| Home Personal Care | 1,100 home places | 7,500 home places |
| Eldercare Centres | 2,700 day places | 6,200 day places |
| Nursing Home (Generic) | 9,700 beds | 17,000 beds |

We are also supporting caregivers as they care for their family members at home, with a one-stop call centre and weekend respite services at our eldercare centres.

Keeping Healthcare Affordable

Singapore's spending on healthcare is about 4% of GDP. This is lower than many developed countries, mainly because of our relatively young population and high GDP. However, Singapore's population is ageing and economic growth may not be as high as before. The Government's share of national health expenditure is expected to rise from one-third in 2012 to 40% or more in the future.

The 3Ms (Medisave, MediShield and MediFund) framework and government subsidies help Singaporeans pay for healthcare. There are broad-based subsidies across all healthcare settings, ranging from primary care and inpatient hospitalisation to specialist outpatient care and long-term care. After subsidies, the 3Ms help individuals pay for their share of the bill. On average, individuals only need to pay cash for less than 10% of a subsidised hospital bill, after Medisave and MediShield.



However, our seniors may not have enough in their Medisave accounts for their healthcare needs after retirement. They may not have been able to accumulate enough in Medisave, since the scheme was only introduced in 1984. To boost their Medisave savings, we introduced the following:

- The Goods and Services Tax (GST) Voucher – Medisave scheme was introduced in 2012 to provide most elderly Singaporeans with an annual top-up of between \$150-450 to their CPF Medisave account.
- All Singaporeans aged 55 and above in 2014 and who do not enjoy Pioneer Generation benefits will receive a Medisave top-up of \$100-200 per year, over the next five years.

For employees, the CPF employer contribution rate will be increased by 1%-point from 2015, allocated to their Medisave account.

We are also improving our healthcare financing framework:

- Expanding the Community Health Assist Scheme (CHAS) so that more Singaporeans can have subsidised care at over 1,000 participating GP and dental clinics.
- Enhancing subsidies at Specialist Outpatient Clinics (SOCs) in our public hospitals for lower- to middle-income Singaporeans.
- Expanding the use of Medisave to more categories of outpatient treatment, e.g. more vaccinations and chronic conditions. From the first half of 2015, a new Flexi-Medisave scheme will allow seniors aged 65 and above to use up to \$200 per year for outpatient medical treatment at public sector SOCs, polyclinics and CHAS clinics. From 1Q2015, all Singaporeans can also tap on Medisave for outpatient scans, up to \$300 per year.

Pioneer Generation Package

To recognise the contributions of the special cohort of seniors who built Singapore, the Government introduced the Pioneer Generation Package which has three key healthcare components:

- Outpatient care subsidies.
- Annual Medisave top-ups.
- MediShield Life premiums subsidies.

These benefits are not means-tested and are valid for life. In 2014, the Government has set aside \$8 billion to fund the package.

More Government Help for Your Healthcare

FOR ALL

More Help for Outpatient Care

- Higher subsidies for services at SOC's for lower- to middle-income — up to 70% (Sep 2014)
- 13 more drugs to be subsidised (Apr 2014)
- Higher drug subsidies for lower- to middle-income at polyclinics and SOC's (Jan 2015)



Medisave Top-ups

- Up to \$200 annually for 5 years — for non-Pioneers born in 1959 and earlier (Aug 2014)

Increased Medisave Use

- More flexible Medisave use for outpatient medical bills
- Usage for outpatient scans of up to \$300 a year



Subsidies for MediShield Life Premiums

- For lower- to middle-income Singaporeans (Late 2015)



++More, FOR PIONEERS IN YOUR FAMILY

More Help for Outpatient Care

- Additional 50% off subsidised treatments at polyclinics and SOC's (Sep 2014)
- Pioneer Generation card — special subsidies for all Pioneers at GP and dental clinics under CHAS (Sep 2014)
 - Higher subsidies for common illnesses and specified chronic conditions
 - Enhanced dental benefits
 - Free health screening and subsidised consultation for those with HPB's letter
- Disability assistance of \$1,200 a year in cash (Sep 2014)



Medisave Top-ups

- \$200-\$800 annually for life (Jul 2014)



Subsidies for MediShield Life Premiums *with Medisave top-ups*

- For all Pioneers (Late 2015)
 - Aged 80 and above in 2014: Premiums fully covered
 - Aged 65 to 79 on MediShield today: Pay half of current premiums



SOC's: Specialist Outpatient Clinics
CHAS: Community Health Assist Scheme



MEDISHIELD LIFE: BETTER PROTECTION. FOR ALL. FOR LIFE.

From end-2015, MediShield will be enhanced to become MediShield Life.

- **BETTER PROTECTION.** Coverage under MediShield Life will be significantly enhanced, with higher claim limits and lower co-insurance rates. This will provide Singaporeans with greater assurance and protection against large hospital bills, as MediShield Life will pay more and patients pay less.

MediShield Life will reduce out-of-pocket payments. Today, only one in 10 subsidised Class B2/C patients with bills exceeding \$10,000* pay less than \$3,000 in cash or Medisave. In future, with MediShield Life, the number will increase to six in 10.



MEDISHIELD

MEDISHIELD LIFE

**2 in 100 subsidised Class B2/C bills exceed \$10,000*

- **FOR ALL, FOR LIFE.** With MediShield Life providing universal coverage, all Singapore Citizens and Permanent Residents will be able to benefit even if they have pre-existing conditions. They will also have greater peace of mind with lifetime coverage.
- **AFFORDABLE PREMIUMS.** To fund better benefits, premiums will have to increase. However, MOH will ensure that Medisave Withdrawal

Limits can continue to fully cover MediShield Life premiums. The additional 1%-point in employer Medisave contribution from 2015 will also be sufficient to cover the increases in premiums for most households.

In addition, the Government has committed close to \$4 billion over the next five years in premium subsidies and other forms of support. These include bearing the bulk of the cost of bringing in those with pre-existing conditions, as well as:



Pioneer Generation subsidies.



Premium subsidies for lower- to middle-income households.



Additional premium support on a case-by-case basis for the needy.



Transitional subsidies for the first four years for all Singapore Citizens, regardless of income, to ease the shift from MediShield to MediShield Life.

Enabling Our Seniors to Enjoy Active and Confident Ageing

DESIRED OUTCOME

- **Active and Confident Ageing**

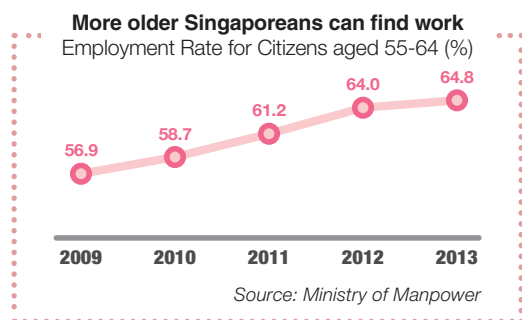
Keeping Our Seniors Healthy and Active

The National Wellness Programme has been implemented in all 87 constituencies and touched more than 340,000 seniors. As part of this programme, seniors are encouraged to stay healthy by participating in health screening, physical fitness activities, interest groups and volunteerism.

We have also embarked on the City for All Ages project in 16 constituencies, seeking to understand the needs of seniors in their communities and implementing programmes to address these needs.

Helping Older Workers Stay Gainfully Employed

With Singaporeans living longer and healthier, many of our seniors are able and want to continue working.



We have enhanced our support to help older citizens remain gainfully employed. For example:

- The Workfare Income Supplement (WIS) scheme was enhanced in 2013, with a more generous eligibility criteria and higher payouts, to encourage workers to stay employed.
- Employers will receive a one-time Special Employment Credit (SEC) enhancement in 2015, to help cope with the costs arising from the increase in CPF contribution rates for older workers announced at Budget 2014.

- The Retirement and Re-employment Act helps workers to remain employed beyond the retirement age of 62, for at least another three years to 65.

The Tripartite Committee on Employability of Older Workers has been reconvened to undertake five broad thrusts in helping our older workers:

- Improve workplace practices and support.
- Raise productivity and skills of older workers.
- Shape positive perceptions of older workers.
- Enhance employment facilitation.
- Improve retirement planning.



Ensuring Retirement Adequacy

Singaporeans are fortunately living longer. This also means that we have to save more to take care of basic needs in retirement. The Government will continue to improve the CPF system to help Singaporeans achieve this.

To boost retirement savings, we have made some improvements in recent years:

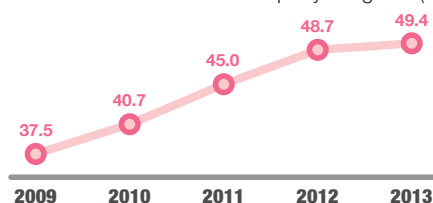
- Lifelong Medisave top-ups for the Pioneer Generation (elaborated in the previous section on Pioneer Generation Package).

- Increase in CPF contribution rates for older workers.
- More Workfare benefits for lower-income workers.
- Medisave contribution rate by employers will be raised by 1%-point by 2015.

We also plan to further strengthen the CPF system and help Singaporeans retire with greater peace of mind:

- Enhance CPF LIFE to help retiree households cope better with the cost of living.
- Provide greater support in retirement for the lower-income groups.
- Help HDB flat-owners to get a stream of money in their retirement based on the value of their flats.

More attained the CPF Minimum Sum
Active CPF Members who are Able to Meet the Minimum Sum in Cash and Property at age 55 (%)



Source: Central Provident Fund Board

A Caring Community

DESIRED OUTCOMES

- Support for the Vulnerable
- Accessible, Citizen-centric Social Services
- Harmonious and Gracious Society
- Active and Caring Citizenry

The Government recognises the importance of forging a gracious and cohesive society. Since 2013, the Singapore Kindness Movement has increased its engagement with groups that champion kindness and community bonding.

Through the National Integration Council, we have also worked with partners in the private and people sectors to foster greater integration of foreigners and new immigrants. A series of handbooks has been published to help newcomers understand and adapt to our way of life. In addition, the Singapore Citizenship Journey is being enhanced so that new citizens can better appreciate the significance of becoming Singaporean.

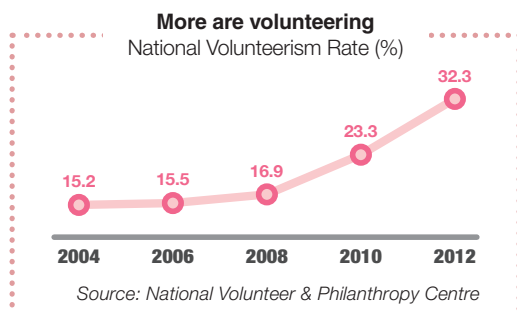
To promote greater neighbourliness, the People's Association (PA) is piloting a series of "chit-chat sessions" to bring local and new residents together to network and bond on a more personal basis.

We are also developing a Community Dispute Management Framework to better manage community disputes among neighbours and to improve neighbourliness.



Encouraging Volunteerism

Our national volunteerism rate has risen steadily from 15.2% in 2004 to 32.3% in 2012. It is heartening to note that people are getting more involved in causes they care about and helping those in need, reflecting a positive community spirit.



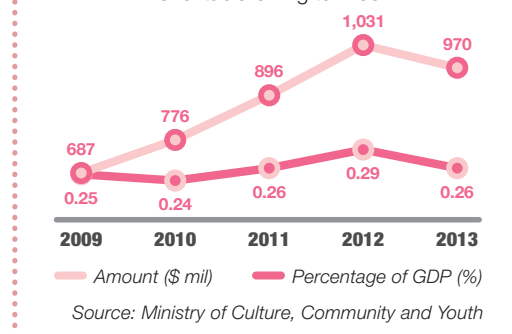
We aim to sustain this encouraging trend:

- The Government is working with the National Volunteer & Philanthropy Centre (NVPC) to develop a Volunteer Management Consultants initiative, to help charities sustain volunteer involvement.
- The Caring Assistance for Neighbour programme was launched in collaboration with the Agency for Integrated Care. Under this new initiative, seniors who are still mobile make regular visits to other seniors, befriending them and reminding them to take their medication.
- The Social Enterprise Mentoring Programme helps corporations offer coaching support to social enterprises, in areas such as marketing and business development.
- The Community Development Councils encourage community ownership by involving employees from corporate and community partners as well as students in their volunteering programmes.

Donations to Institutions of a Public Character (IPCs) dropped slightly in 2013. We will continue to work with partners like NVPC to champion a strong giving culture in Singapore. The Government has set aside \$250 million in matching grants to support the Care & Share Movement, which go towards helping voluntary welfare organisations raise capabilities, expand capacity and provide social service programmes to serve needy and less fortunate Singaporeans.

Culture of giving nascent but taking root

Charitable Giving to IPCs



Enhancing Social Service Support

We are strengthening social service delivery to ensure that Singaporeans receive help when they need it. For instance, the Government will:

- Set up a network of about 20 Social Service Offices by end-2015, to coordinate and bring social assistance closer to residents in each neighbourhood.
- Introduce a new scheme to groom and develop social service leaders, to be launched by end-2014.
- Expand and enhance programmes to develop social service professionals.
- Implement an integrated case management system and database Social Service Net in 2015, to facilitate information sharing among social service agencies and to provide timely assistance to beneficiaries.



YOUTH CORPS SINGAPORE: A BOOST TO YOUTH VOLUNTEERISM

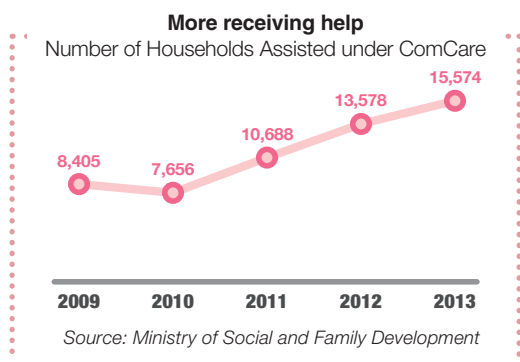
We launched the Youth Corps Singapore, which had its pilot intake in June 2014.

The Youth Corps matches youth volunteers with critical needs in the community and facilitates ground-up youth initiatives. It also trains youths in service-learning and other essential skills, to help

them make sustained and meaningful contributions to society.

With these efforts, we hope to empower our youths to remain engaged in the community beyond their school years.

The number of low-income households helped under ComCare has increased over the years, with a range of assistance tailored to individual circumstances.



To reach out to a wider group of needy residents, the MSF has continued to make enhancements to ComCare:

- The household income criterion for short-to-medium-term assistance was increased from \$1,700 to \$1,900 per month and the per capita income criterion from \$550 to \$650 per month.
- The criteria for long-term assistance (also known as Public Assistance) were widened to cover more needy elderly. Additional help was also provided for medical essentials such as adult diapers and commodes.

Empowering Persons with Disabilities

The Enabling Masterplan 2012-2016 aims to address the needs of persons with disabilities at each stage of their lives. Initiatives include:

- Higher subsidies for the Early Intervention Programme for Infants and Children (EIPIC) for lower- to middle-income families.
- More places in Day Activity Centres by end-2014, to provide care and skills training for adults with higher care needs.
- New transport subsidies for persons with disabilities since July 2014, to ease the costs for them to attend school, work and care services.

03

A City to Call Home

Better Public Housing for All



Ramped up supply, with 77,000 new flats launched since 2011



Improved affordability with stable BTO flat prices and easing of private property prices

Improving Public Transport



Fixing train breakdowns and stepping up maintenance

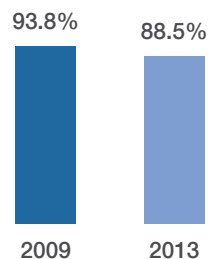


83 new trains from 2014; Downtown Line fully operational by 2017



1,000 new buses by 2017; bus industry restructuring for long-term responsiveness

Customer Satisfaction Survey for Public Transportation System



More Vibrant Social Spaces



Free admission to museums for all Singaporeans



More parks and sports facilities within 10-min walk from home by 2030



25 community arts and cultural nodes across Singapore by 2025

Better Public Housing for All

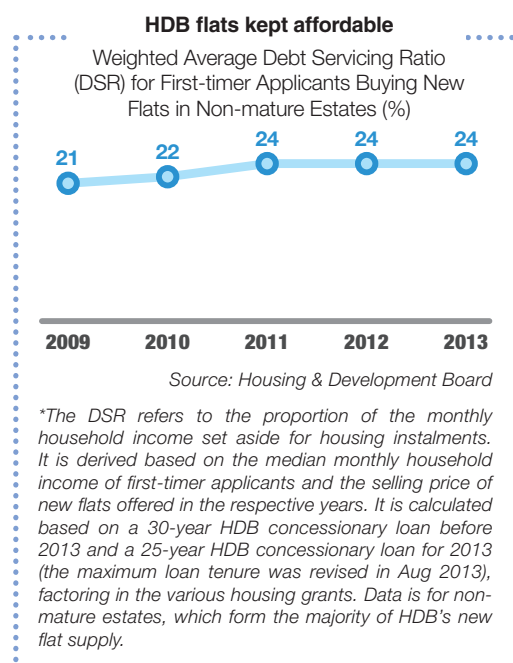
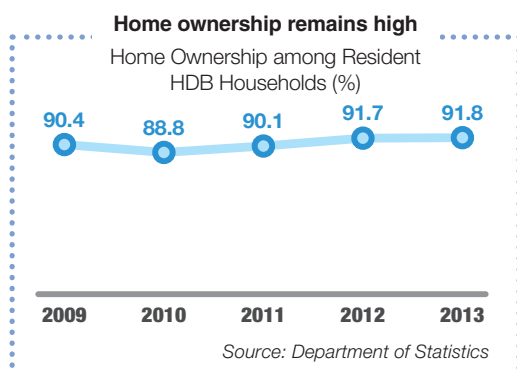
DESIRED OUTCOMES

- Affordable Homes
- Quality Living Environment

Our public housing programme gives Singaporeans a stake in the nation and provides different groups of Singaporeans with quality and affordable homes.

Buyers of new Housing & Development Board (HDB) flats have benefitted from a significant ramp-up in flat supply, stable prices that have been delinked from fluctuations in the resale market and new government grants.

Prices in the HDB resale and private housing markets have risen significantly in recent years. To moderate price pressures, the Government has ramped up new flat supply and introduced several rounds of cooling measures to restore balance to the market⁶. In 2013, HDB resale prices fell for the first time in eight years and continued to soften in the first half of 2014.



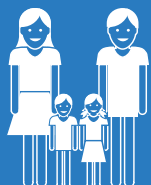
⁶ For more information on the cooling measures, please refer to the feature box in Chapter 1 on "Ensuring a Stable Property market for Sustainable Growth".

MEETING THE NEEDS OF DIFFERENT GROUPS

INCOME CEILINGS



Raised income ceilings for HDB flats and Executive Condominiums



Helping young families with the new Parenthood Priority Scheme and Parenthood Provisional Housing Scheme



Helping singles by allowing them to buy two-room BTO flats in non-mature estates



Helping the elderly with the Studio Apartment Priority Scheme, Silver Housing Bonus and Enhanced Lease Buyback Scheme



Helping vulnerable families with 10,000 more public rental flats in the pipeline, Assistance Scheme for Second-Timers (Divorced/Widowed Parents) (ASSIST) to help divorced and widowed parents with young children secure 2-/3-room BTO flats in non-mature estates, and shorter three-year time bar for divorced couples

Supporting multi-generation families by introducing the new Three-Generation flat that is purpose-built to meet their needs and lifestyle



To ensure a high quality living environment and public housing, we are:







- Developing three new housing areas: Punggol Matilda, Tampines North and Bidadari, with facilities that help Singaporeans fulfil their lifestyle and housing aspirations.
- Rolling out improvement and renewal programmes for existing towns (e.g. Remaking Our Heartland projects, Home Improvement Programme, Enhancement for Active Seniors Programme, Neighbourhood Renewal Programme, Car Park Lift Installation Programme, and Selective En bloc Redevelopment Scheme).

What's coming up next?




Stronger Support for All

-  Changes to how we buy and sell HDB flats to reduce focus on COV
-  Online guide for buying foreign properties
-  More housing support for elderly, vulnerable & extended families
-  Housing Conversations on how policies can better support relationships & values
-  Study on reverse mortgage and Lease Buyback for bigger flats to help elderly monetise
-  Per-minute charging for motorcycles at EPS car parks
-  One affordable season ticket for motorcycle parking at all HDB/URA car parks

Making Every Town A Better Town

-  1,500 BTO flats, including 50 3Gen flats, to be launched in Tampines North
-  3 more towns to be rejuvenated under Remaking our Heartland
-  200 more Multi-Storey Car Parks to install lifts in 2014; another 200 more in 2015
-  35,000 households to benefit from Home Improvement Programme yearly, up from 28,000
-  14 new projects under Neighbourhood Renewal Programme to enhance living environment in HDB estates
-  EASE reviewed to lower age criterion and additional items

Green City

-  More food and recreational options in Marina Bay in the pipeline
-  Ideas on sensitively enhancing Pulau Ubin's natural environment, heritage & charm
-  More public outreach initiatives to reduce food wastage



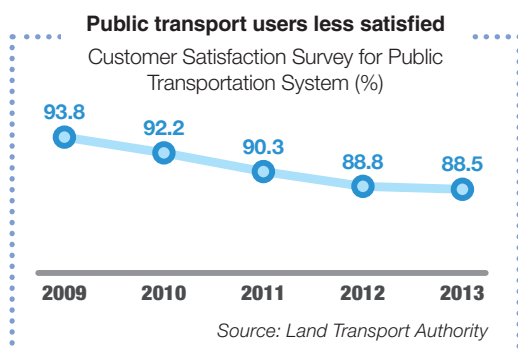
Enhancing Transport and Connectivity

DESIRED OUTCOMES

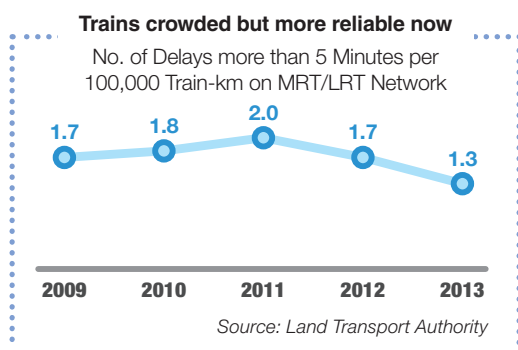
- Good Connectivity, Quality Infrastructure
- Reliable and Convenient Transport System

Daily public transport usage continues to grow, with the share of people taking public transport during peak hours rising from 63% in 2012 to 64% in 2013.

Singaporeans' satisfaction with public transport, however, has dipped to its lowest in five years, primarily due to concerns about reliability and overcrowding of train services.



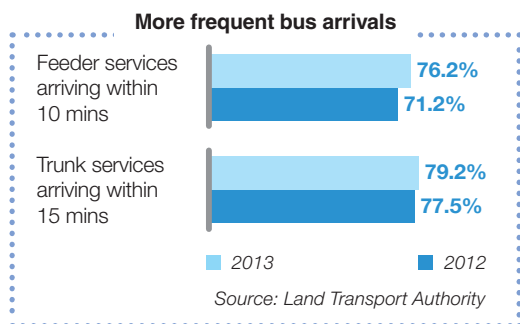
While delays have become less frequent, disruptions lasting more than an hour occurred on average once every 2.4 months in 2013, compared to once every three months in 2012.



To further improve the reliability of trains, the Government is working closely with public transport operators to replace the older parts of the Mass Rapid Transit (MRT) infrastructure like old rail sleepers. Maintenance has also been stepped up. This is starting to bear fruit. Train withdrawals across all three MRT lines were reduced by 25% or more in 2013, compared with 2012. Delays were also less frequent (see graph) – the number of train delays longer than five minutes fell by 20% in 2013 from 2012.



Satisfaction with bus services, on the other hand, turned the corner in 2013, registering its first improvement since 2010. We introduced the Bus Service Enhancement Programme (BSEP) in 2012 to ease overcrowding on public buses. Some 360 government-owned buses have since been added to the system, resulting in improved service levels. By 2017, 1,000 government-owned buses would have been added, and commuters can expect to get onto feeder buses within eight minutes during peak periods.



We introduced the Taxi Availability Standards in January 2013 to improve the availability of taxis so that commuters will be able to flag down and book taxis more easily. As a result, the percentage of taxis on the roads during peak periods increased from 82% in 2012 to 87% in the first five months of 2014.

To ensure that public transport remains affordable for all Singaporeans, the Government has introduced new concession schemes for persons with disabilities and recipients of the Workfare Income Supplement (WIS). In addition, it has made available \$7.5 million worth of public transport vouchers to be distributed to needy households.

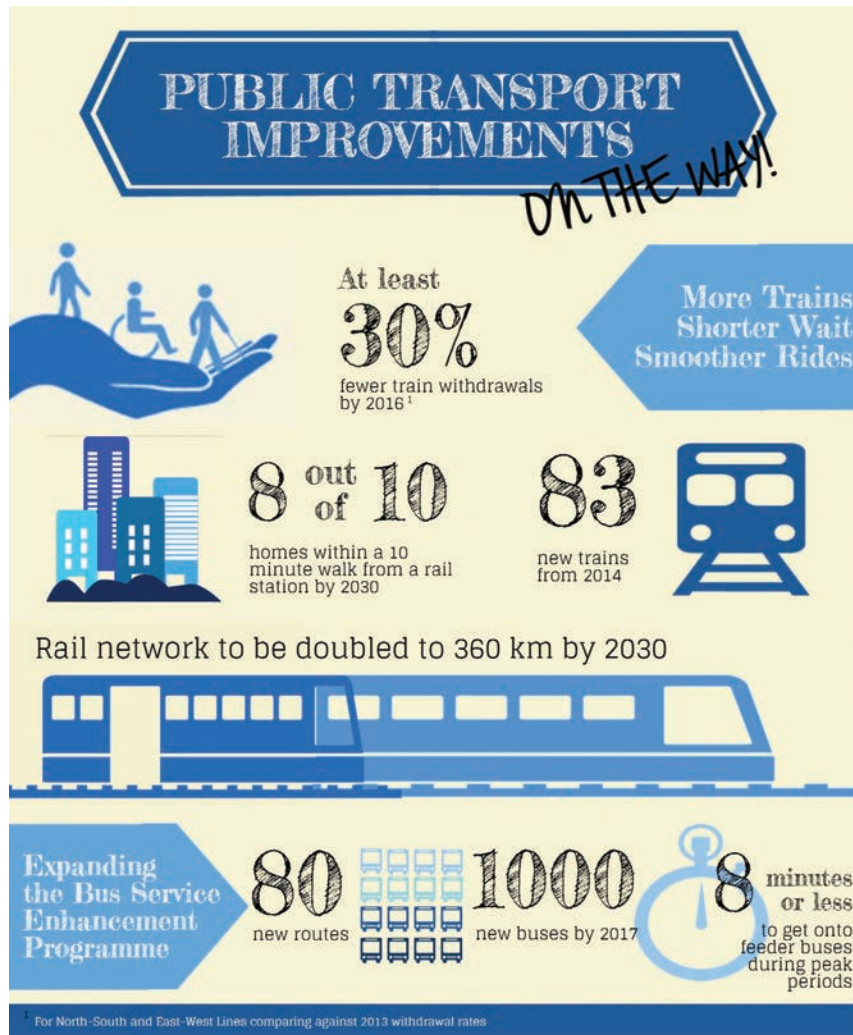
MORE RESPONSIVE BUS SERVICES

The public bus industry will be restructured to a "Government contracting model" from the second half of 2016.

Bus routes planned by the Government will be tendered out to be run by private bus operators. The Government will own all key assets such as bus depots and buses to lower barriers to entry.

This move will enable public bus services to be more responsive to changes in ridership and commuter needs, as well as improve service standards and efficiency through greater competition.

Changes will be implemented in phases over several years to ensure a smooth transition for all stakeholders. A tripartite committee will also ensure that bus workers' interests are well taken care of.



Source: Ministry of Transport

Expanding Air and Sea Transport Sectors

Air and sea transport infrastructure ranks highly internationally

Ranking of Air and Sea Transport Infrastructures

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Air Transport Ranking | 1 st | 2 nd | 1 st | 1 st | 1 st |
| Sea Transport Ranking | 1 st | 2 nd | 1 st | 2 nd | 2 nd |

Source: World Economic Forum
Global Competitiveness Report

Our maritime and aviation sectors remain robust and highly regarded internationally. Singapore's seaport and airport continue to be among the world's busiest.

Our initiatives are aimed at achieving sustainable, quality growth in both sectors:

- The first set of new berths at the expanded Pasir Panjang Terminal will be ready in 2014.
- We have commenced the development of Tuas Terminal to consolidate container port activities in the long term.
- Work on Changi Airport's Terminal 4 and a three-runway system has begun, with the latter to be in operation by early 2020s.



Strengthening Infocomm, Media and Design Capabilities

Singapore has been ranked second for four consecutive years (2010-2013) in the Global Information Technology Report and the World Economic Forum's Global Competitiveness Index. The opening of data centres and media production facilities of international players like Google, Lucasfilm, along with our new National Design Centre, will further enhance Singapore's Infocomm, Media and Design ecosystem.

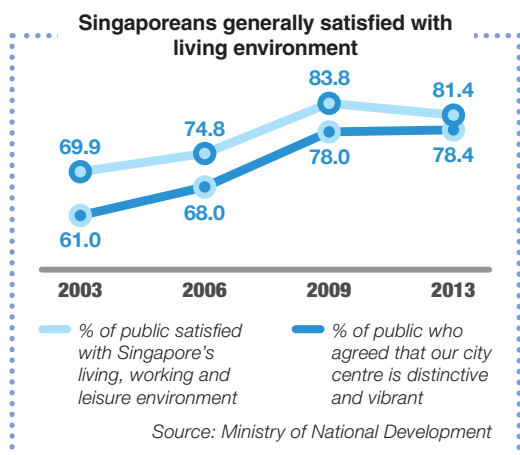
We aim to catalyse Infocomm Technology (ICT) adoption among Small and Medium Enterprises (SMEs), with the rollout of the ICT for Productivity and Growth programme.

Over the longer term, we aim to establish Singapore as a Smart Nation – a world leader that taps on the potential of ICT and media, and one that nurtures innovative talent and enterprises.

Vibrant Social Spaces for All

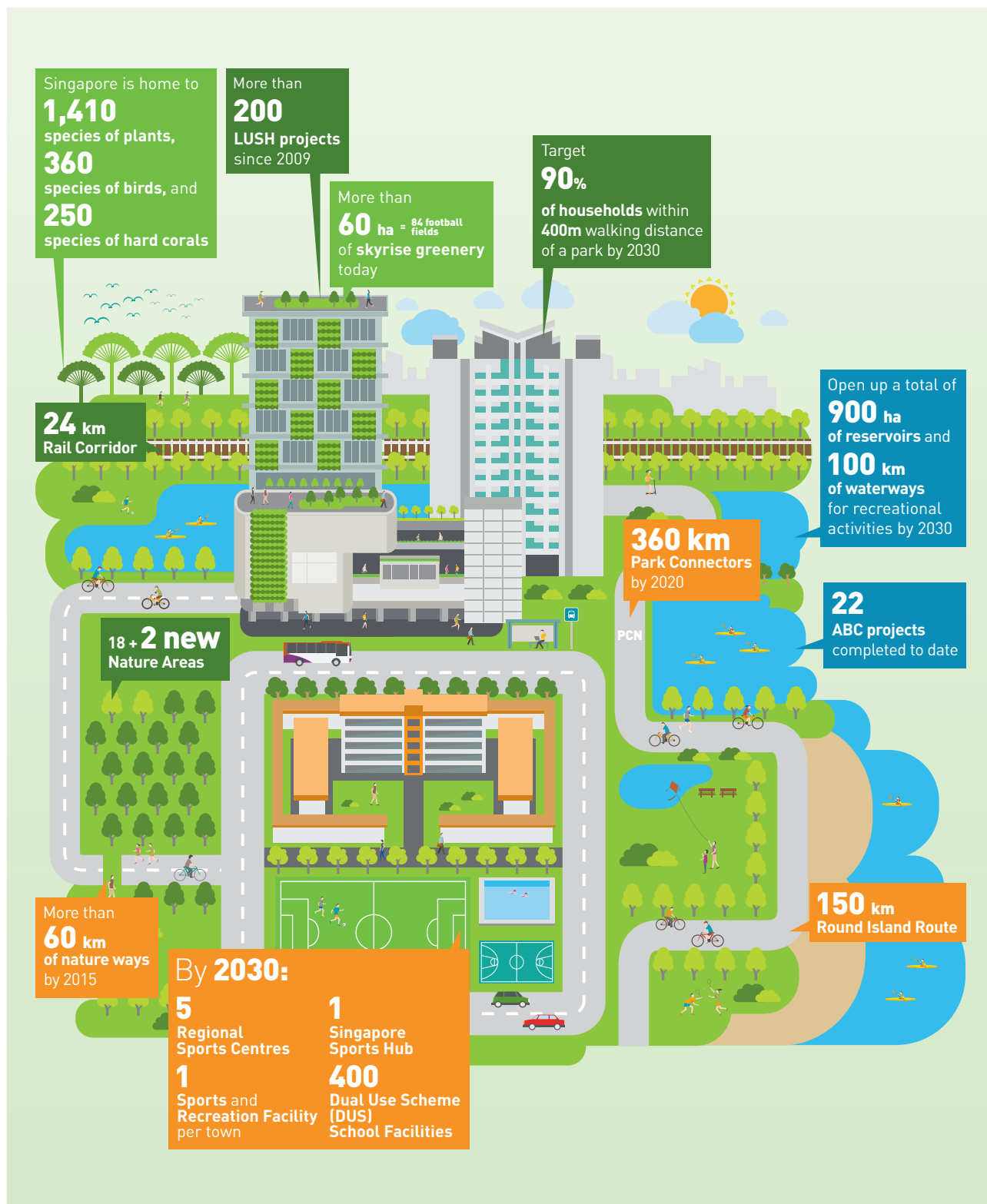
DESIRED OUTCOMES

- Social Spaces Singaporeans can Enjoy
- Strong National Identity and Rich Heritage
- A Vibrant Arts and Sporting Culture



Over the years, we have improved public access to greenery and spaces for recreational activities. Currently, more than 80% of homes are already located within 400m of a park. As part of the Master Plan 2014, we aim to raise this to more than 90% in the future with more pervasive greenery near homes.

We will continue to work with the community to conserve our greenery and biodiversity. For example, Pulau Ubin has flourished to become a treasure trove of biodiversity as a result of our continued collaboration with the community. We have initiated The Ubin Project to see how we can build on existing efforts and mobilise the passion of our community to enhance its natural environment. We will protect its heritage and rustic charm and allow public access, so that it continues to be enjoyed by generations of Singaporeans alongside thriving biodiversity.



RE-IGNITING THE KAMPUNG SPIRIT: KAMPUNG ADMIRALTY



Kampung Admiralty is a purpose-built development designed to foster community bonding and re-ignite the kampung spirit of yesteryear.

Occupying a compact 9,000sqm plot of land, it will house a host of amenities across three tiers seamlessly integrated under one roof:

- **GROUND TIER:** retail shops, community plaza.
- **MID TIER:** hawker centre, two-level Admiralty medical centre.
- **TOP TIER:** studio apartments, eldercare and childcare facilities, community park.

Aside from the lush greenery and ample communal spaces, another key feature of the development is healthcare facilities located close to homes. The medical centre will be open to the community and used as a base to reach out to the less mobile.

Kampung Admiralty is expected to be completed in 2017.

We want to build an environment that contributes to a more inclusive and liveable community. We will build more sheltered linkways around transport and community nodes, and retrofit more pedestrian overhead bridges with lifts. More railway noise barriers will also be built near residential areas and schools to minimise noise disturbance to the surroundings.

We aim to be a better city with fewer cars, and are working on the National Cycling Plan. This is a 10- to 15-year plan with the vision of building a cyclist-friendly, well-connected network. We currently have 230km of existing cycling paths and park connectors. The eventual aim is to grow the cycling network to more than 700km by 2030 for recreational and short distance commute.

We have substantially built up the new job centres at Jurong Lake District, Changi Business Park and one-north. We will continue to develop these and new growth centres at Woodlands and Punggol, to bring quality jobs closer to home.

Nurturing a Thriving Sports Culture

Sports participation has been on a general upward trend in recent years. In 2012, 65% of Singaporeans

participated in sports at least once a week, compared to 42% in 2011.

To further encourage this positive trend and enable Singaporeans to embrace a sporting lifestyle, we are embarking on the first phase of the Sports Facilities Master Plan (SFMP). The SFMP is designed to provide the majority of Singaporeans with access to sports and recreational facilities within a 10-minute walk from their home.

The new Singapore SportsHub was opened in June 2014. Besides providing the community and our professional athletes with world-class sporting infrastructure, the Sports Hub will encourage participation among members of the public by hosting a wide range of community events.



ACTIVESG: HELPING SINGAPOREANS LIVE BETTER THROUGH SPORTS

ActiveSG, a new national movement for sports, aims to create an ecosystem of sporting spaces and innovative programming for participants of all levels.

Singaporeans will have more opportunities to get active and connect with others in the community.

ActiveSG will also be working with community and corporate partners such as the National Sports

Associations, schools and interest groups, to co-create programmes that are affordable and relevant for all skill levels and age groups.

All Singaporeans who sign up as ActiveSG members will receive a \$100 ActiveSG credit, which they can use to book facilities and sign up for programmes.

Bringing Arts and Culture to the Community

The Government has started a Public Art Trust with \$10 million to bring art closer to Singaporeans.

By 2025, we hope to have 25 community arts and cultural nodes across Singapore that all households can have easy access to. This is complemented by the People's Association's PAssionArts programme, where residents can participate in community arts initiatives and showcase their talents at PAssionArts Hotspots and Community Art Galleries islandwide.

Since May 2013, Singaporeans have enjoyed free admission to our national museums and heritage institutions. Visitorship from June to December 2013 surged to a record of more than three million. In conjunction with Singapore's 50th anniversary of independence, we will also be investing in a major revamp of the National Museum of Singapore and the Asian Civilisations Museum.

To foster a greater sense of belonging to Singapore, we will continue with outreach initiatives, such as the Singapore Heritage Festival, heritage trails, travelling exhibitions and community galleries.

To promote greater access to the arts, the National Arts Council is setting aside \$1.5 million under ArtReach, to help Voluntary Welfare Organisations (VWOs) enrich the lives of their beneficiaries through the arts. It aims to support artists and VWOs by collaborating on projects that include the arts in programmes, such as helping at-risk youths to build confidence and engaging senior citizens in the community.



A Better Environment for the Present and Future

DESIRED OUTCOMES

- Clean and Healthy Environment
- Sustainable Urban Living

Achieving a Cleaner and Healthier Environment

In 2012 and 2013, Singapore experienced fewer days with good air quality, due to the unprecedented high levels of transboundary haze within the region, with some days entering the “Unhealthy” and “Very Unhealthy” ranges.

The Government has embarked on diplomatic efforts to tackle this problem. We have also improved our air quality reporting system, the Pollutant Standards Index (PSI). For instance, fine particulate matter (PM2.5) has been incorporated as the PSI’s sixth pollutant since April 2014, instead of tracking PM2.5 separately.

To reduce local sources of pollution, more stringent emission standards took effect in 2014 for new motor vehicles. The Early Turnover Scheme was also enhanced to encourage the replacement of old commercial diesel vehicles with newer, cleaner models.

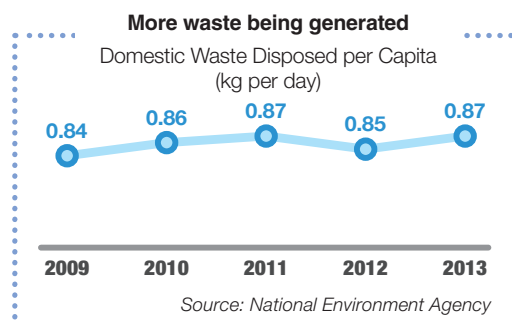
We are upgrading our drainage system to better manage more intense rainfall episodes. In 2012 and 2013, drainage improvement projects at 105 locations were completed. More improvements are being made in 2014.

Singapore experienced a dengue epidemic in 2013, with over 22,000 cases. This was 50% more than the previous worst epidemic in 2005. We will continue to focus on eliminating mosquito breeding sites. Besides residences, we have also stepped up our monitoring and enforcement of construction sites. More than 20,000 breeding sites were destroyed in 2013. We will explore the use of new methods and technology to sharpen the surveillance and control of mosquito activity.

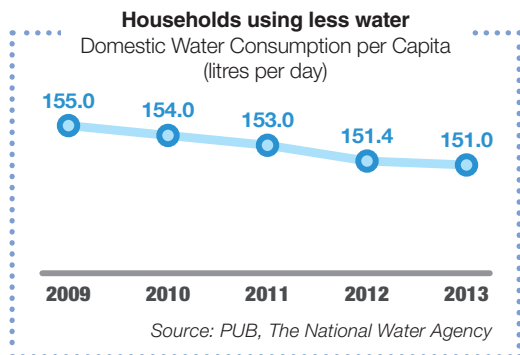


Conserving Resources

Households disposed more waste in 2013 than the year before. Our overall recycling rate is around 61%. We will continue to encourage homes to reduce, reuse and recycle. To make recycling more convenient, we have increased the recycling bin provision from one for every five HDB blocks, to one for each HDB block.



Our per capita domestic water consumption has been on the decline from 155 litres per day in 2009 to 151 litres in 2013. This is an encouraging trend and we will continue to strive for better water efficiency within households, as well as in industries and businesses.



Singapore experienced a dry spell in 1Q2014. The capacity we had built up over the years in NEWater and desalinated water supplemented the supply of imported water and water from our local catchments in this period.

We will continue to make long-term investments in water infrastructure, research and technology, e.g. the Tuaspring desalination plant which was completed in September 2013.

STEPPING UP MEASURES ON WATER AND ENERGY CONSERVATION

From 2015, users who consume more than 5,000m³ of water per month will be required to monitor their usage actively and submit a Water Efficiency Management Plan to PUB every year. Incentives will also be introduced to support the implementation of water conservation projects.

Energy labels on household appliances will be enhanced in September 2014 to help consumers

understand the energy cost of owning an appliance, and to better differentiate more energy efficient models.

In addition, minimum energy performance standards were implemented for clothes dryers in 2014 to protect consumers from being locked in to the high operating cost of inefficient models.

04

A Safe, Secure and Credible Singapore

Strengthening National Service (NS)



New SAF Volunteer Corps for women, PRs and new citizens to contribute to national defence



NS HOME (HOusing, Medical and Education) Awards to recognise servicemen

Maintaining a Safe and Secure Home



Lowest crime rate in 30 years



Lessons from Little India Riot



Establishment of National Cyber Security Centre to enable 24-hour surveillance

Strengthening Relations with Our Neighbours and Key Partners



Active participation in international organisations (e.g. G20, UN) and humanitarian efforts



ASEAN Community by end-2015 for stronger economic integration

Protecting our Nation

DESIRED OUTCOMES

- **A Secure Sovereign State**
- **A Respected Nation**

Ensuring national security is critical to maintaining Singapore's sovereignty. To achieve this, we actively foster close ties with countries around the world and uphold a strong armed forces.

Singaporeans' support for National Service (NS) has remained high. In 2013, 98% of respondents to an Institute of Policy Studies (IPS) survey acknowledged that NS was crucial for national defence and security, which allowed Singapore to develop and prosper.

The Committee to Strengthen NS has proposed a wide range of measures:

- Strengthen training by having more Regular trainers to improve training and inculcate values more effectively, and to serve as role models to full-time National Servicemen (NSFs).
- Provide more opportunities for national servicemen to contribute through increased leadership opportunities and increased deployment flexibility that take into account their skills and preferences.
- Enable women, first generation Permanent Residents and new citizens to contribute to national defence through the Singapore Armed Forces (SAF) Volunteer Corps.
- Enhance recognition and benefits for servicemen, e.g. through the NS HOusing, Medical and Education (HOME) Awards, with an additional Medisave grant of \$6,000 disbursed over three milestones (completion of full-time NS, mid-point of the Operationally Ready National Service (ORNS) training cycle, and completion of the ORNS training cycle).
- Restructure the Advisory Council on Community Relations in Defence (ACCORD) to comprise an Employer and Business Council, an Educational Institutions Council, and a Family and Community Council. This will enable us to reach out to NS stakeholders more effectively.

- Improve efficiency of administration, e.g. reduce enlistment wait-time to between four to six months after post-secondary education and give NSmen more time and flexibility to meet their Individual Physical Proficiency Test (IPPT) requirements.



We will continue to invest steadily and prudently in our defence, and tap on advanced technologies and capabilities to build a highly networked SAF, equipped with unmanned systems and precision strike capabilities.

The SAF seeks to build a strong network of relationships within our region and around the world. We also contribute towards international security efforts, which enhances trust and cooperation with our partners, as well as hones our capabilities:

- Participated in the ASEAN Defence Ministers' Meeting-Plus Humanitarian Assistance and Disaster Relief (HADR)/ Military Medicine Exercise in June 2013.
- Working towards hosting a regional HADR coordination centre, which will enable militaries to respond effectively to natural disasters in our region.

- Contributed to regional maritime security efforts through the Malacca Strait Patrols, and to international counter-piracy efforts in the Gulf of Aden.
- Supported multinational reconstruction efforts in Afghanistan from 2007 to 2013, e.g. in the areas of humanitarian assistance, intelligence and training of the Afghanistan National Security Force.

Strengthening Relations with Neighbours and Key Partners

Beyond military cooperation, we work closely with our neighbours and key partners to enhance relations and seek common interests. For instance, we are:

- Working with our neighbours to establish an ASEAN Community by end-2015, focusing on enhancing economic integration among ASEAN countries.

- Strengthening cooperation with our neighbours, including Malaysia, Indonesia and Brunei. Areas include trade and investments, and initiatives to improve cross-border connectivity (e.g. Kuala Lumpur-Singapore High Speed Rail).
- Building links with key partners such as the United States, China, Japan, India, Republic of Korea, Australia and the European Union, by enhancing political and economic ties.
- Actively participating in international organisations, e.g. the G20 (including the Brisbane Summit in November 2014), and the Arctic Council (as an observer). We played an active role at the United Nations (UN), e.g. forging the UN's post-2015 Development Agenda and Sustainable Development Goals.

Maintaining a Safe and Secure Home

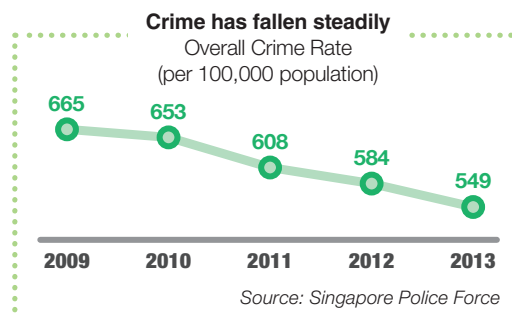
DESIRED OUTCOMES

- Safe and Secure Homeland
- Resilience against Crises

Crime rate has been falling steadily and is at its lowest in 30 years. In 2012, more than 90% of respondents to the Ministry of Home Affairs' (MHA) Safety and Security survey felt safe in their neighbourhoods.

The number of reported unlicensed moneylending and related harassment cases also fell by more than 50% in the last five years, from over 18,000 cases in 2009 to around 8,300 in 2013. The police have stepped up enforcement efforts, and will be launching a three-year trial with banks to terminate the ATM and internet banking facilities of persons found to be assisting unlicensed moneylenders.

We have implemented the Community Policing System at 20 Neighbourhood Police Centres (NPCs), and will be extending the programme to the remaining 15 NPCs



by end-2015. With a more effective policing model and community partnership through Neighbourhood Watch Groups and Citizens on Patrol, we are better able to understand residents' needs and respond to localised crimes quickly.

The police will also leverage technology to increase effectiveness. All Housing & Development Board (HDB) blocks and multi-storey carparks will have police cameras installed by 2016. As of August 2014, 3,300 HDB blocks and carparks have been equipped with these cameras.



HEIGHTENING IT SECURITY

In end-2013, threats were made against the Government by hackers claiming to be part of the "Anonymous" group. Several websites were defaced, but these incidents were detected and rectified quickly.

We take these threats seriously, and continue to remain vigilant against hackers.

To strengthen our cyber defences, we have:

- Amended the Computer Misuse and Cyber Security Act in 2013 to enable more timely and

effective measures against cyber attacks.

- Rolled out the National Cyber Security Masterplan 2018 in July 2013, to enable more extensive measures to protect against cyber threats and grow our pool of infocomm security experts. It also aims to foster better cyber security practices by individuals and businesses.
- Established the National Cyber Security Centre in April 2014 to enable round-the-clock detection of major national cyber threats.



We are taking steps to curb re-offending and integrate ex-offenders back into society through several initiatives:

- The Conditional Remission System seeks to deter ex-offenders from re-offending by subjecting them to conditions upon their release.

- The Mandatory Aftercare Scheme is a structured aftercare regime for a selected group of ex-offenders at higher risk of re-offending and those who need more support to reintegrate into society. The scheme provides enhanced community support, counselling and case management with tight supervision.
- Expansion of the Yellow Ribbon Community Project to more grassroots divisions, helping families of incarcerated offenders link up with government agencies for social assistance and support.
- Help for ex-offenders to upgrade their skills, find work and reintegrate into society.

The drug situation remains contained amid the backdrop of a worsening regional drug situation. However, drug abuse continues to be of concern, particularly among youths and repeat drug abusers. There is also an

increasing trend of the abuse of methamphetamine (ice). We will continue to work with community partners and government agencies to reach out to teachers, parents and youths with drug prevention efforts and customised anti-drug activities.

To secure our borders, we will continue to invest in technologies and new capabilities to manage increasing traveller volume, which has increased by over 36% in the last five years. About 148 million travellers cleared at the checkpoints in 2009 compared to about 203 million in 2013.

Staying Prepared and Resilient

Efforts have been made to reinforce a mindset of vigilance and emergency preparedness. For example, the Junior Civil Defence Lionhearer programme was piloted in primary schools in April 2013 to teach students what to do in emergency situations. We also held regular emergency exercises, e.g. Exercise Heartbeat 2013, which saw the police, the Singapore Civil Defence Force (SCDF) and Safety and Security Watch Group cooperating to respond to three different terrorist attack scenarios.

In 2014, we commemorated the 30th anniversary of Total Defence, with a campaign highlighting the everyday actions that all Singaporeans can take to build a strong, secure and resilient nation.

DISRUPTION TO PUBLIC ORDER: LITTLE INDIA RIOT

The riot at Little India on 8 December 2013 was the result of an unruly mob reacting to a fatal traffic accident involving an Indian national. The police and SCDF responded within 15 minutes, and the riot was quelled within two hours, with no loss of life or serious injury. Some 23 emergency response vehicles were damaged and 49 Home Team officers sustained injuries.

The Government appointed a Committee of Inquiry (COI) on 13 December 2013 to establish the factors and circumstances that led to the riot. The Homefront Crisis Executive Group, an inter-agency crisis management group, was convened to implement measures to calm the ground and stabilise the situation in the immediate aftermath. These included

the gazetting of Little India as a proclaimed area under the Public Order (Preservation) Act, restriction of the sale and consumption of alcohol in public places, and stepped-up police presence.

On 1 April 2014, a more limited and targeted Public Order (Additional Temporary Measures) Act was enacted to enable government agencies to continue taking calibrated security, traffic management and alcohol restriction measures to maintain public order in Little India. The Act is a temporary provision and will expire on 31 March 2015.

The Government has accepted all eight recommendations from the COI report and will be implementing longer term measures for Little India.

05

An Effective and Trusted Government

..... Upholding Good Governance



International recognition for government effectiveness and low corruption



Swift and resolute actions taken against errant public officers, regardless of their seniority

..... Enhancing Public Service Delivery & Citizen Engagement



Develop more specialist leaders to improve policy-making and service delivery



“eCitizen Ideas!” portal for public to co-create solutions with the Government



More seamless interactions with government agencies with “No Wrong Door” policy and “First Responder Protocol”

..... Maintaining a Sound & Sustainable Fiscal System



Strong fiscal health given “AAA” or “Aaa” credit ratings by S&P and Moody’s



Strengthened social safety nets through transfers such as Workfare and GST Voucher



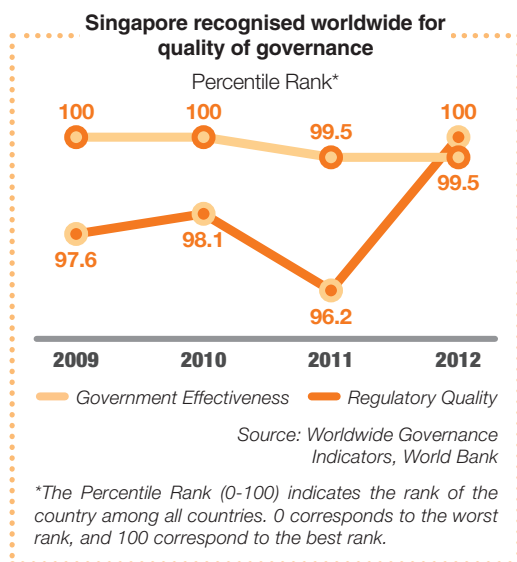
Taxes and transfers have become significantly more progressive

Upholding Good Governance

DESIRED OUTCOMES

- Professional, Resilient and Respected Public Institutions
- Effective Regulation and Rule of Law

Singapore remains well regarded for its government effectiveness and regulatory quality. It is also ranked among the five least corrupt nations in the 2013 Corruption Perceptions Index released by Transparency International.



We will continue to build on our strong foundations of responsible and sustainable financial management, a fair and consistent system of rules and laws, and an effective Public Service.

The image of the Public Service has been dented in recent years by some high-profile fraud cases and procurement lapses. The Government has taken resolute steps to address them including disciplinary actions against the officers involved, regardless of their seniority.

It is essential that the Public Service continues to uphold

the fundamental values of integrity, incorruptibility and impartiality. Among other things, we decided to tighten the rules on casino visits, which were enhanced in 2013 to reduce the risk of public officers becoming indebted and susceptible to corruption.

We have also strengthened internal controls and capabilities in procurement and internal audit. The Auditor-General's Office plays the vital role of check and balance in ensuring that the Government exercises sound stewardship of public resources. Every lapse detected by the Auditor-General is taken seriously, with prompt follow-up action.

Strong Rule of Law

Our legal framework is well rated, particularly in the areas of facilitating enterprise and settling disputes. Our legal framework has been ranked:

- First in the Institute for Management Development World Competitiveness Yearbook (2014).
- First in the World Economic Forum Global Competitiveness Report (2013).

Our rules and laws will evolve in response to our changing environment. For example, the Ministry of Social and Family Development (MSF), the Ministry of Law, and the Courts are putting in place a new family justice system including a comprehensive specialist family court structure that aims to reduce the acrimony and trauma, as well as unnecessary costs and delays in resolving family disputes. We will also be developing a third law school (in UniSIM) with a focus on family and criminal law.

Enhancing Public Service Delivery

DESIRED OUTCOMES

- **Integrated, Dynamic and Forward-looking Public Service**
- **Citizen-centric Policy Design and Service Delivery**
- **Active Communications, Engagement and Partnership**

We will continue to build a citizen-centric Public Service. We will also broaden our leadership development programmes to nurture a greater diversity of leaders. This is in recognition of the challenges of a complex environment and the evolving needs of Singaporeans.

In 2013, we launched the Public Service Leadership Programme to develop specialist leaders with deep domain knowledge in five key areas: economy building, security, infrastructure and environment, social, and central administration. These officers will spend most of their careers developing knowledge and expertise within their chosen sector. They will also have opportunities to develop their leadership qualities and be exposed beyond their sectors.

Other initiatives to enable better public service delivery include:

- **Tapping on technology to better meet citizens' needs**, e.g. the Land Transport Authority (LTA) is using farecard data to improve bus and train planning.
- **Improving our systems to provide a more integrated experience for citizens and businesses** e.g. the Online Business Licensing System (OBLS) brings together more than ten agencies to serve their customers seamlessly.

Strengthening Engagement with Citizens

The volume of public feedback received by the Government has remained high over the years. This reflects the willingness of citizens to communicate with the Government with regard to both service delivery and policy issues.

We will continue to enhance public engagement through new avenues, e.g. REACH has initiated an open concept booth in public areas known as the "Listening Point", to provide information and obtain public feedback on national issues. We will be improving online and social media capabilities to engage citizens who prefer such forms of interaction.

We also seek to reach out to different segments of our community, e.g. we have formed a taskforce consisting of members from the social sector and mass media to help us communicate the Pioneer Generation Package to our seniors.



ONE PUBLIC SERVICE: CITIZENS AT THE CENTRE

Multiple government agencies are working closely as One Public Service to ensure that feedback and requests from the public are addressed quickly. Singaporeans can now expect a more seamless experience when they interact with the Government.



For example, the “No Wrong Door” policy channels misdirected feedback and service requests from a member of the public to the appropriate agency. The “First Responder Protocol” requires agencies to work in a coordinated manner and provide timely responses for complex issues that cut across different government agencies.

We are also facilitating more opportunities for Singaporeans to work with government agencies:

- Since April 2014, Singaporeans can access government crowdsourcing activities easily, through a new one-stop portal “eCitizen Ideas!”. Many government agencies have also been hosting crowdsourcing events, e.g. “Cool Ideas for Better HDB Living” since 2011.
- We have been making available government data more proactively since the launch of the Government’s one-stop portal data.gov.sg in 2011. The public can now access over 8,600 data sets from more than 60 public agencies on data.gov.sg for app development or research purposes. This has contributed to innovative creations, e.g. the development of mobile apps like Gothere.sg and Carpark@SG, which tap on LTA’s data on Electronic Road Pricing and carpark availability.

We will continue to push for more widespread online and mobile e-services for the convenience of citizens and businesses. We will make available data to the public so that the community can use such data to create meaningful applications.

Sound and Sustainable Fiscal System

DESIRED OUTCOME

• Stewardship of Public Resources

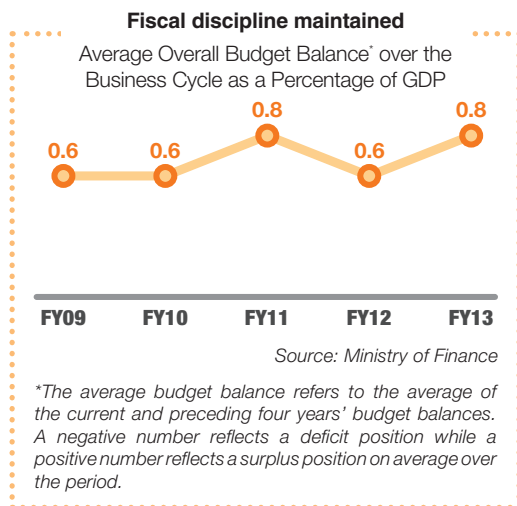
Our fiscal policy aims to achieve a fair and equitable system of taxes and transfers while supporting a vibrant economy. We also seek to ensure fiscal sustainability, which remains a critical pillar as the population ages and public spending is set to rise.

Acknowledging Singapore's strong fiscal health, credit rating agencies such as Standard & Poor's and Moody's continue to give Singapore the highest 'AAA' or 'Aaa' ratings.

Singapore is projected to register a budget surplus in FY13, on the back of continued economic growth. We have also benefitted from the investment of our reserves. The estimated Net Investment Returns Contribution⁷ of \$7.9 billion in FY13 has helped to fund various programmes and balance the budget.

To ensure that we have a fair system of taxes and transfers, we have introduced new social transfer schemes such as the Goods and Services Tax Voucher, the Pioneer Generation Package, and enhanced existing schemes such as the Workfare Income Supplement. We have also made our property and car taxes more progressive.

The comparison of net transfers⁸ in 2003 and 2013 show how our fiscal system has become more progressive over the past decade. The lower-income (2nd decile⁹) households receive significantly more social transfers than the taxes they pay, and those at the higher end pay more taxes compared to the transfers they receive. In 2013, the net benefits which the lower-income households received have also increased significantly compared to a decade ago.



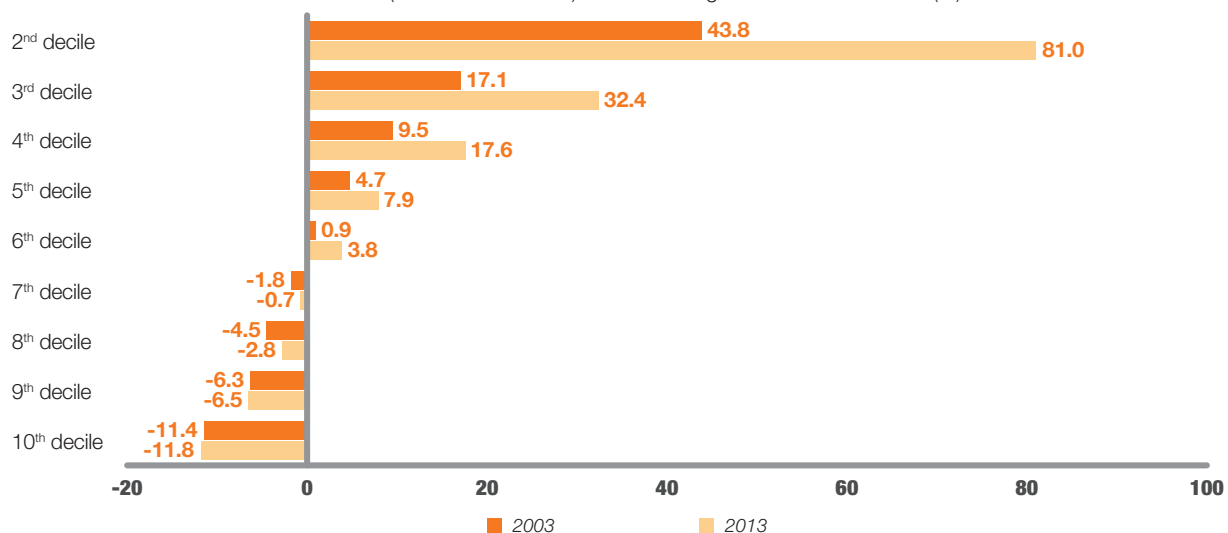
⁷ The Net Investment Returns framework allows the Government to tap on the investment returns of our reserves to fund various programmes. From FY09 to FY13, the actual Net Investment Returns Contribution (NIRC) used has been close to the maximum 50% allowed under the framework. The NIRC has been supplementing the Government budget between \$7 billion and \$8 billion annually.

⁸ Net transfers comprise Government transfers to Singaporean households, net of all taxes paid. The deciles are ranked by household income from work (including employer CPF contributions) per household member.

⁹ The 1st decile has been excluded from the chart because (a) about 70% of households in the 1st decile are retiree households that comprise solely of non-working persons aged 60 years and above; (b) many households in the 1st decile, while no longer earning an income, are not poor – 16% of them live in private properties, 13% in HDB 5-room and executive flats, 14% own cars, and 8% employ a domestic helper.

Net benefits tilted in favour of the lower-income

Net Benefits (Transfers less Taxes) as a Percentage of Household Income (%)*



Source: Ministry of Finance

*The 1st decile has been excluded from the chart because (a) about 70% of households in the 1st decile are retiree households that comprise solely of non-working persons aged 60 years and above; (b) many households in the 1st decile, while no longer earning an income, are not poor – 16% of them live in private properties, 13% in HDB 5-room and executive flats, 14% own cars, and 8% employ a domestic helper.

Photos Courtesy of

Civil Aviation Authority of Singapore
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Ministry of Defence
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Singapore Civil Defence Force
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Sport Singapore
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