

Detailed Notes for Post-Budget 2023 Youth Dialogue

Date/Time: Tuesday, 28 March 2023, 7.30pm – 9.15pm

Organisers: National Youth Council (NYC), Ministry of Finance (MOF)

Venue Partner: Singapore Management University (Event Square, SMU Connexion Building)

Attendance: 181 youth participants (physical and virtual)

The session started with an introduction by host Mr Rishi Budhrani, followed by context setting by Mr Fong Yew Loong, Head of Fiscal Policy and a panel dialogue with a Q&A segment.

INTRODUCTION

1. Mr Budhrani welcomed participants to the Post-Budget 2023 Youth Dialogue and introduced the panellists: Ms Indranee Rajah, Minister in the Prime Minister's Office, Second Minister for Finance and National Development; Mr Alvin Tan, Minister of State (MOS) for Ministry of Culture, Community and Youth (MCCY) and Trade and Industry; and Ms Sabrina Soh, NYC INSPIRIT Youth Leader.
2. Mr Budhrani invited Mr Fong Yew Loong to set the context for the session.

CONTEXT SETTING

3. Mr Fong said that the Budget 2023 focused on helping Singaporeans cope with challenges amid global uncertainty through four key focus areas:
 - Helping Singaporeans cope with the rising cost of living
 - The Government enhanced the permanent GST Voucher scheme and the Assurance Package to help Singaporeans, especially lower-income households, seniors and families with children, to cope with the rising cost of living.

- Enhancing Singapore's economic competitiveness through encouraging investments and upskilling workers
 - Singapore would continue to invest in businesses by encouraging innovation, strengthening digital capabilities and supporting local and global expansion.
 - Singapore would upskill workers to ensure gainful employment and provide more job opportunities for seniors, people with disabilities and ex-offenders.
 - The Progressive Wage Credit Scheme would uplift lower-wage workers through incentivising wage increases.

- Strengthening social compact and providing support for families
 - The Government would increase the supply of Built-To-Order (BTO) flats and prioritise first-timer families with children and young married couples aged 40 under the new Family and Parenthood Priority Scheme (FPPS).
 - Young families would receive assistance through tax relief and increased Baby Bonus cash gifts. The Government would also extend its contributions to the Child Development Account (CDA) and establish family-friendly workplaces and flexible working arrangements to provide more support for parents.
 - The Government would support lower-income families by scaling up KidSTART for preschool children, integrating social service delivery through ComLink, and topping up the ComCare Fund, Eldercare Fund and MediFund. Additionally, the monthly CPF wage ceiling would be increased to \$8,000 by 2026 to support the retirement adequacy of middle-income workers.

- Building collective resilience to ensure that Singaporeans rebound and emerge stronger from crises
 - Extending tax deductions for charitable donations and enhancing the Corporate Volunteer scheme would foster a culture of giving. The Government would also increase the Community Silver Trust and support self-help groups to strengthen the capabilities of social service agencies.

PANEL DIALOGUE

Budget 2023

Participants asked (via Pigeonhole) what priorities the Government focused on when preparing the Budget 2023.

4. Minister Indranee said that the overarching priority for Budget 2023 was positioning Singapore for the future amidst a global pandemic and volatile geopolitical environment. She said that the Government sought to ensure economic growth and was committed to creating good jobs for Singaporeans and refreshing our social compact.

Participants asked (via Pigeonhole) why youths should care about Budget 2023.

5. MOS Tan said that youths were concerned about topics such as education, employment opportunities, cost of living, sustainability and mental well-being, and youths should care because Budget 2023 reflected how Singaporeans wished to chart the next bound of Singapore by addressing these issues.

Participants asked (via Pigeonhole) which announcement in the Budget 2023 stood out most to youths.

6. Ms Soh said that in a sentiment poll conducted by NYC, youths indicated that they favoured increased monetary incentives for families the most. She said that

this announcement impacted young parents or youths thinking about starting a family, due to the enhanced support measures for parents, as this demographic often required more assistance due to additional responsibilities such as caring for aged parents and planning for retirement.

7. Ms Soh called for more support to help Singaporeans cope with the GST hike and rising cost of living. She referenced the NYC sentiment poll and said that two out of five youths felt the pay-outs were insufficient for middle-income and low-income families. She acknowledged the support provided by the Government but said more could be done.

Strengthening our social compact

Participants asked (via Pigeonhole) about mental health literacy and care and whether Budget 2023 would increase Singaporeans' access to such resources.

8. MOS Tan said that mental wellness was a recurring theme and shared that one in seven Singaporeans had experienced mental health issues since the start of the COVID-19 pandemic.
9. MOS Tan said that the SG Mental Well-Being Network, a collaboration between Singaporeans and the Government, was established to help to raise awareness of mental health issues, destigmatise mental health conditions, and equip Singaporeans with mental health literacy.
10. MOS Tan said that the Health Promotion Board and the National Council of Social Service assisted people with mental health conditions in gaining employment and becoming peer supporters after they overcame their mental health issues. He encouraged participants to join the SG Mental Well-Being Network and to build mental well-being support groups within their communities.

Participants asked (via Pigeonhole) about the initiatives and policies that the Government had in place to ensure that Singapore was on the right track in moving towards a more inclusive Singapore.

11. Minister Indranee said that the measures announced in Budget 2023 was part of the Forward Singapore exercise and was focused on charting a new trajectory for Singapore's future and renewing our social compact.

12. Minister Indranee said that the Government would provide more support for families. She said that besides cash incentives, the Government had doubled paid paternity leave and increased unpaid infant care leave to advocate shared parenting responsibilities.

Participants asked (via Pigeonhole) about the effectiveness of the previous increase in cash incentives for parenthood and marriage.

13. Minister Indranee said that the Total Fertility Rate continued to drop even with cash incentives because of factors such as age, stress, and work-life balance. As such, the Government encouraged society to support families and was committed to working with employers to implement flexible work arrangements and prioritising young married couples and families with young children for housing through an additional ballot and priority in balloting.

14. Minister Indranee said that the Government hoped to see a societal shift where Singaporeans would not compromise between family or careers.

Participants asked (via Pigeonhole) why the Baby Support Grant was not extended to single mothers.

15. Minister Indranee said that the Baby Support Grant was aimed at encouraging couples to have children, and the scheme was not extended to single mothers to

avoid sending inadvertent signals to encourage those who are not married to have children.

16. Minister Indranee said that this did not imply that those who had children outside of marriage should not be helped. She said that other forms of financial assistance, such as the First Step Grant and CDA top-ups, were available for single mothers. She said that the Government would also provide additional support to single mothers, such as housing needs, via the Ministry of National Development.

17. Ms Soh said that youths had many questions regarding marriage and parenthood in Singapore and encouraged them to share their concerns to “move the dial” on issues they felt strongly about.

Navigating a volatile and complex world

An on-site participant, who was a Junior College student, asked how the Government balanced fiscal prudence with the immediate cost of living prices.

18. Minister Indranee said that geopolitical tensions had disrupted the global supply chain, which had increased energy prices and goods and services. She said that the Government was committed to buffering Singaporeans from the rising cost of living through support such as the Assurance Package, creating good jobs, providing upskilling opportunities for workers, and absorbing GST for public education and publicly funded healthcare.

Participants asked (via Pigeonhole) how Singaporeans could ensure their employability amidst economic uncertainty.

19. MOS Tan said that the Ministry of Trade and Industry was working to establish collaborations with multiple trade and industry partners overseas to ensure the

creation of new job opportunities for Singaporeans, and better wages would help to overcome inflationary pressures.

20. MOS Tan said that Singapore was an open economy for business, talent, and investments. He said that in the current geopolitical crisis where businesses were looking for safe places to invest, Singapore was an attractive place for companies to set up their headquarters, generating exciting opportunities. He encouraged youths to tap on resources such as NYC's Asia-Ready Exposure Programme to gain knowledge of the region and build skills to take on new jobs brought into Singapore.

21. Minister Indranee added that while youth could look at investing, they should also always save part of their income as an emergency buffer.

22. Ms Soh encouraged youths to leverage SkillsFuture credits and to be open to upskilling opportunities to differentiate themselves from others.

An on-site participant asked what the Government was doing to grow the pie so that everyone had a larger share while maintaining citizens' expectations of fiscal prudence.

23. Minister Indranee said that it was important to identify and pursue growth sectors, such as aerospace and precision engineering. She said that the Jobs-Skills Integrators (a new initiative announced at Budget 2023 to optimise training provision and job matching services for companies and individuals) would also provide Singaporeans with upskilling opportunities within these sectors.

24. Minister Indranee said that the National Productivity Fund received a \$4 billion top-up and had been expanded to include investment promotion as anchoring quality investments was crucial for growing Singapore's economy, nurturing local enterprises and securing good jobs for Singaporeans.

25. Minister Indranee said that the new Enterprise Innovation Scheme helped to encourage businesses to start innovating to grow their capabilities. She said that \$1 billion had been set aside for the Singapore Global Enterprises initiative to provide promising companies with customised assistance in innovation, internationalisation and fostering partnerships with other companies. She also said that through the Co-Investment Fund, the Government had helped SMEs to capitalise an additional \$3 million worth of investments.

Participants asked (via Pigeonhole) how MND would balance meeting the demand for Build-To-Order (BTO) flats and catering to the populace's concerns about renting and the mass-building solutions provided.

26. Minister Indranee said that only when demand was met would the building process for BTOs begin. She said that before COVID-19, the Government built about 17,000 units per year until the pandemic disrupted the BTO building schedules. She said that this resulted in more people moving into the resale market and a small group of buyers had driven up housing prices, creating the wrong impression that housing had become unaffordable.

27. Minister Indranee said that with supply chains and construction schedules returning to normal, the supply of BTO flats would stabilise in the next one to two years.

Building a resilient nation

An on-site participant asked if Singapore would consider providing financial support similar to Nordic countries.

28. Minister Indranee said that while Nordic countries provided generous monetary support, their tax rates were also very high, and Singapore would have to similarly increase revenue and taxes to provide such high levels of social

support. She said that the Government had also re-calibrated the Working Mother's Child Relief to provide support to those in greater need.

29. Minister Indranee said that raising taxes would be difficult, and Singapore's fiscal policy approach was a delicate balance between a progressive system where those who earned more were taxed more but still had the incentive to stay in Singapore.

Participants asked (via Pigeonhole) if Singapore Armed Forces (SAF) was moving toward digitalisation following an increase in the Ministry of Defence (MINDEF)'s Budget. Participants also asked about which country Singapore should emulate in digitalisation.

30. MOS Tan said that the SAF increased its spending to include cybersecurity and had launched the Digital and Intelligence Service (DIS), a new fourth arm of the SAF to respond to newfound threats in digital and cyberspace. He said that NYC was working with Cyber Youth Singapore (CYS) and encouraged youths to approach NYC and CYS to explore opportunities within DIS.

31. Minister Indranee said that while digitalising was important, Singapore should not emulate any one country in digitalisation efforts but rather learn from all countries to develop a useful and suitable system for Singapore's needs and circumstances.

An on-site participant asked if the Government would consider implementing a tax slab system where different commodities have different taxes.*

**A tax slab system refers to different tax rates prescribed to different income ranges and tax rates increase correspondingly with increases in the taxpayer's income.*

32. Minister Indranee said that the Government had considered Singapore's tax system carefully and said that it was administratively simple and not regressive.

She said that it was a fair system in imposing GST while ensuring that lower-income families received support to offset increased costs.

An on-site participant asked if there were any initiatives to increase youths' financial literacy, and how the Government ensured that youths were more prudent in their financial decisions to avoid making poor financial choices.

33. MOS Tan said that the Government and educational institutions provided financial literacy resources. He encouraged participants to explore financial literacy platforms such as MoneySense, Money Owl, and The Woke Salaryman and to share the information with their networks.

Participants asked (via Pigeonhole) if the rise in vehicle tax under the Additional Registration Fee would affect other vehicles and Grab drivers.

34. Minister Indranee said that as the Additional Registration Fee was intended for luxury vehicles, the initiative would not burden private hire car drivers.

Call to action

Participants asked (via Pigeonhole) for panellists' advice on what youths could do to build a better future for the nation.

35. Ms Soh said that youths could join NYC programmes, where they would be able to expand their networks and push themselves to think more about societal issues. She also encouraged schooling youths to take advantage of their school's resources and initiatives to help them bring their ideas to reality.

CLOSING REMARKS

36. MOS Tan encouraged youths to take up mentoring, such as joining Mentoring SG and said that building a mentoring culture would help Singapore to “grow its

pie” and distribute it more fairly.

37. Minister Indranee said that aside from being aware of the yearly Budget announcements, youths could also read and think more about financial issues, financial literacy and planning for their futures as individual efforts would complement the Government's efforts.

Notes recorded by the National Youth Council Youth Engagement Team