

COMMITTEE OF SUPPLY (SPEECH 4) BY MR TAN CHUAN-JIN, ACTING  
MINISTER FOR MANPOWER, 14 MARCH 2013, 5:45 PM, PARLIAMENT

“Fair & Inclusive Workplaces for Singaporeans”

INTRODUCTION

1. Madam Chair
2. In my opening speech, I said that developing the Singaporean Core in the workforce requires a multi-pronged approach. One important aspect of this approach is to take a firm stand against discriminatory employment practices.
3. I would like to thank many of you out there who have written in to me personally and to my ministry and colleagues for sharing your insights, observations and also thoughtful suggestions about this issue of Fair Employment Practices. In particular, I want to recognise the work of **Ms Foo Mee Har, Mr Patrick Tay and Mr Liang Eng Hwa** who have been actively championing these concerns, having long conversations with me on what the concerns are out there and what we should do about it.
4. Today, I would like to squarely deal with the concerns that Singaporeans have on nationality discrimination and the impact of foreign labour on their jobs.

FAIR EMPLOYMENT PRACTICES

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*Sense-Making*

5. Let's start from the sense-making perspective. I have been tracking this, gathering feedback and looking at possible solutions. I first spoke about nationality discrimination about a year and a half ago. We started studying how other countries dealt with hiring practices. We began analysing and investigating the range of complaints that we have received. And we also started adjusting our Employment Pass (EP) framework back last year in January 2012, as a first step towards level the playing field. We will do more and I will explain how we will address the concerns systematically.

6. Let me first describe the issue at hand. From the emails and feedback we have received, it is quite clear that Singaporeans understand that we need to be open to the world. Our survival, our very existence, depends on it. As a people, we are warm, open-hearted and welcoming. That is who we are. Our people also recognise that we need foreign labour at various levels. They do recognise that tapping on to the global pool of talent and manpower benefits us because it creates good jobs and opportunities for Singaporeans. It allows us to be competitive and to strengthen Singapore itself.

7. The main concern Singaporeans have is whether we have enough safeguards for our people?

8. **Mr Yeo Guat Kwang, Dr Chia Shi-Lu, Er Lee Bee Wah and Mr Gan Thiam Poh** have voiced concerns over whether our work pass framework allows Singaporeans to compete fairly with foreign professionals for good PMET jobs, particularly at the EP level. They have also made some good suggestions on how we can level the playing field further, and on how we can ensure that Singaporeans are not overlooked, or worse still, discriminated against in our own workplaces.

9. We have Singaporeans informing us that the governments of other countries have stricter policies about hiring foreigners. But we must remember that we are, in Singapore, actually creating more jobs than there are Singaporeans to fill them. The situation in other countries is exactly the reverse. Our citizen unemployment rate is actually fairly low at about 3%. To those who are unemployed, those who are displaced, it doesn't matter that it's 3%, it doesn't matter if it is 2%. As far as the individual is concerned, it is 100%.

10. Let me organise this sense of frustration we sense out there into three categories.

11. **First, "hiring-their-own-kind", or unfair hiring practices.** We have heard anecdotes of how in certain cases, heads of business units or HR managers have a preference for candidates they are familiar with or of the same

nationality, for reasons that are irrelevant to job performance and irrespective of whether they are more competent than other candidates.

12. We have also heard of situations where Singaporeans were retrenched or made to resign in the name of down-sizing, only to realise later that their positions were given to foreigners, who were coincidentally from the same countries as the business heads.

13. Let me be quite blunt. Would these practices not sound discriminatory? Would any respectable progressive company endorse these practices? If this hiring is indeed because they care only about choosing familiar candidates and not about hiring the “best man for the job”, then such practices have no place in Singapore’s workplaces. **Discrimination will not and cannot be tolerated.** Stating the principle however does not mean it is easy to implement. I think we all recognise that proving discrimination is sometimes difficult. It is not always possible to discern whether such hiring practices are legitimately based on the objective requirements of the job or motivated by personal connections. We all know how “guanxi” works. I know that Singaporeans perceive some outcomes to be against the principles of meritocracy and fairness, and I fully understand why we feel angry in the process.

14. **Second, business heads or HR managers may not be paying enough attention to local talent.** In the name of efficiency or meritocracy, some managers will want an employee in as fast as possible, whether Singaporean or foreign. It may therefore be more expedient for them to rely on recommendations from others or a ready stock of foreign candidates supplied by headhunters.

15. One CEO we met told us that it was simply more convenient for him to mount an overseas recruitment exercise in a particular country to get all the skilled manpower he needs, than to invest in a detailed and time-consuming recruitment search for potential candidates within the local job market.

16. **Third, qualified foreign candidates who come in at lower-level EPs, and perhaps even at S Pass, compete directly with our fresh university and diploma graduates and mid-level PMET Singaporeans.** In some cases, firms may prefer the foreign candidate following a purely merit-based assessment, as he may be as qualified but perhaps willing to work for a lower wage compared

to a Singaporean. Such foreign candidates would include talented graduates from developed countries looking for better opportunities in Asia. Is this meritocratic? Yes. But should we just take a hands-off laissez faire attitude when faced with this situation? There is a real impact as it can deprive our young of the opportunities they need to learn on-the-job and progress to more senior positions later on. I do not think we can just ignore the situation.

### *First Principles*

17. So what do we do? Before I talk about solutions, let me state clearly our guiding philosophy and thinking. **In everything that we do as a Government, it must benefit our people; both for the present, and for the future.**

18. What do we want to achieve?

- a. We want good jobs, wages and opportunities for our people;
- b. We want a system that is fair; and
- c. We want to be able to develop and nurture the talents and abilities of a Singaporean core to their fullest potential.

19. In this respect, we know that by being open and competitive, we are able to generate good jobs and opportunities for our people. We remain open to free movement, both of manpower and other resources. If we are closed off, we'd be worse off. Members on various occasions have highlighted this, because they are concerned that if we overdo this, it can have a detrimental impact. Singaporeans understand this too; and they are not asking for us to be closed off. They are asking for appropriate balance, they are asking for fairness.

20. At the same time, it is only fair and reasonable that foreign firms and foreigners working here bear a responsibility to the local communities. In a sense, this is a social compact. We do not require global firms to give preferential treatment to locals, but they *must be* fair to Singaporeans. There *must be* equal opportunities for our people, whether at hiring or in advancement. **There has to be a level playing field.**

## *System and Complexity*

21. Having articulated the thinking, how do we translate it into something that works? This is a complex issue that cannot just depend on one silver bullet to solve all the problems. We will take a system approach that will comprise structural as well as process-based adjustments. In essence, this is what we will do:

- a. In terms of structure, we will adjust our work pass frameworks. In fact the changes made to the Employment Pass (EP) framework in January last year were aimed at addressing some of these concerns. What we did was to tier the qualifying salary criteria to account for experience. If you recall, previously, it was \$2,800, we raised it \$3,000. But it wasn't just at entry level of \$3,000. We tiered it at different levels, meaning that if you were to come in with more experience, you will not qualify for an Employment Pass only at \$3,000. It would have to be higher because you need to pay for an appropriate level and experience. And the intent was really to level the playing field so that more experienced foreigners do not undercut our own PMEs. We have since seen the numbers at the EP level drop by about 1,600 last year. This is the first time the EP numbers have dropped since 2003. Some have been converted to S Passes instead, a number of them were clustering at about \$3,000. Now, they are subject to DRC ratios and levies. This is our approach and it has worked. We will now apply the same tiering concept to the S Pass. Over and above that, I will make further adjustments to the EP framework, especially to the Q1 segment later this year. We are working on the details. The purpose is to better help our junior to mid-level PMEs. I think the Q1 segment needs adjustment.
- b. In terms of process, we expect all employers doing business in Singapore to comply with the Tripartite Guidelines on Fair Employment Practices (FEP Guidelines). If there are issues, MOM will step in to investigate and we will not hesitate to curtail work pass privileges. We will explore a practical process where Singaporeans are given a fair opportunity in the hiring process. And we will deepen the efforts with companies to develop a local pipeline for Singaporean talents. This would be a consideration as companies are brought into

Singapore. We believe in taking a systemic approach towards this issue, with a combination of structural and process adjustments.

22. Let me explain how these changes address the 3 categories of concern mentioned earlier.

### *Issue #1 – ‘Hiring-own-Kind’*

23. **Firstly, the “hiring-own-kind” type of problem. On this issue, we do not and will not tolerate this in Singapore.** There are in fact a number of ‘live’ cases that MOM is currently investigating.

24. Let me use an ongoing example to illustrate. A discriminatory online job advertisement was recently put up – I was tempted to mention their company but I won’t, it’s a fairly prominent company, saying that it only wanted to recruit people of a certain nationality. I personally went through the advertisement, and could see no reason why the company had to recruit someone of that particular nationality. This is completely unacceptable. We informed the company to remove the advertisement immediately, and they have done so. We suspended their work pass privileges – it remains suspended – and we asked to see their senior management. A few of them flew in from overseas to meet my colleagues. We are setting out clear expectations on the part of the company to address the situation and make amends. The company’s work pass privileges remain suspended until we are satisfied that remedial actions will be taken.

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25. In other instances, depending on complaints and the nature of alleged discriminatory practices, which we receive from time to time, TAFEP will investigate, TAFEP will speak to the company, and if it finds that there are issues of concern, they will escalate the matter to MOM. In the same vein, we may also suspend work pass privileges as we investigate, and this will include interviewing the employees to understand, whether from their perspective, discriminatory practices are taking place.

26. What else can we do? Sometimes, it is a matter of the management of companies being more aware and putting in place responsible HR practices. In

fact, on various occasions, we have talked about how employers should be more responsible and we should have more enlightened HR practices. For example, DPM Tharman and I have met up with the senior management of a number of financial institutions on a few occasions to stress the point that financial industry players should make a more concerted effort to develop a local talent pipeline. These sessions have been productive and useful. The management have been quite honest to reflect that they will be more mindful of the need to ensure that discriminatory hiring practices are not entrenched in their industry. Some were quite candid – they honestly said they recognised that they had not paid enough attention to how hiring was done and that unhealthy enclaves had been formed. Others acknowledged that they would need to be conscious of diversity and clustering in their make-up.

27. I would like to acknowledge **Mr Gerald Giam** for his comments. We are clearly thinking along the same lines. TAFEP and MOM have been engaging not just the HR managers but the firm's management, to remind them of their obligations to attract and develop Singaporeans on merit. When complaints are lodged against firms, TAFEP engages them and ensures that all those involved in the hiring process, including the line managers, are trained in the methods of fair recruitment and selection. The response has been positive – what we will do is to step up on this front. We will take administrative measures, and we will begin to do so. We will also begin to build up a profile to understand the various companies. What this means is – please manage your company sensibly. A lot of it comes from sensible management, sensible engagement. Be conscious of what you are doing, be conscious about what your managers are doing. Many employers are not paying attention to that.

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*Issue #2 – Undue Haste in the Recruitment Process*

28. Secondly, there is undue haste in the recruitment process. This second issue is about taking the shortest route in the recruitment process, we need to ensure that firms must give fair consideration to Singaporeans in their hiring practices. **We have been studying the work pass frameworks.** A number of Members here have shared your perspectives – **Mr Yeo Guat Kwang, Dr Chia Shi-Lu and Er Lee Bee Wah** have made various suggestions about how we should incorporate best features of other countries and adapt it to our needs, about how employers have to show proof that they have searched for local candidates, by requiring them to advertise job vacancies to locals, before a

foreigner can be hired. This sounds reasonable, but when we studied the systems, going behind the scenes, talking to the businesses, talking to the government officials, things aren't always as what they appear to be on the surface. Our preliminary research indicates that implementing such measures effectively while still providing for employers' genuine need for talent is not so straightforward. I cite two examples:

- a. Hong Kong has their General Employment Policy, which allows local employers to recruit foreign professionals not readily available in Hong Kong to meet their manpower needs, subject to a set of criteria. But when you look at the data in the applications, most of the applications put up by employers all end up approved anyway.
- b. In the US, while they do have requirements to ensure US citizens are recruited **first before foreigners, they also take a balanced approach. For the H1-B visa which is meant for foreign professionals, this requirement does not apply to every employer. Instead, it applies only to "higher-risk" employers who hire many H1-B workers or have submitted false applications.** With every system, there are pluses, but there are also realities that would surface when you look closer.

29. **There is a sense that these approaches serve as useful markers, as a signal, even if they do not adequately address the underlying** concerns effectively. They may also be complicated to design and that is why we are looking at them intently, to study it further, to see how best to come up with a system that would make sense for us. The design of each country's work pass, as you can see, actually differs, and a lot of it is due to the local circumstances. But it's something that we believe we can look at, and something that we will work on adapting a particular system that will make sense for us. I would like to build on an interesting idea floated by **Engineer Lee Bee Wah**; could we consider having employers examine Calibre Link and E2i's pool of PMEs and unemployed Singaporeans looking for jobs? In fact they are helping companies doing a match. We are doing it with SMEs as well. Can we enhance that, before EP passes are awarded? Or earlier, we talked about the Individual Learning Portfolio, where Dr Amy Khor talked about how we are planning to develop this? How you can put this on your database, put your skills, and because it is



all IT-based, we can weave it in the system where that becomes part of the landscape? These are exciting possibilities; I don't think it necessarily will solve everything, which is why it is one part of a larger solution set.

30. **MOM will consult closely with stakeholders in the coming months to further explore and develop a practical framework that best meets our circumstances and needs.**

### *Issue #3 – More Singaporean PMEs joining the Workforce*

31. On the third issue, this is where we are concerned about people coming in and substituting Singaporeans, because they are lower-cost professionals, they could work longer hours, and their main purpose is to earn an income, remit it back home and go back. MOM will adjust the eligibility criteria at the EP level, and we will continually review this, as more Singaporeans become tertiary graduates, as we have more local PMEs. As we highlighted, the profile is shifting. Come 2030 or so, two-thirds of our workforce will be PMETs. So correspondingly, we also need to manage our employment pass numbers. The employment pass numbers have dropped since we restructured – as I mentioned earlier. So what we're going to do is to also transit this, and establish this same structure of qualifying salary thresholds for the S Pass. **Given the larger proportion of Singaporeans who will enter the workforce as PMEs in the near future, we will make further adjustments, as I mentioned earlier, to the EP framework, particularly at the Q1 sector.** The intent is to help level the playing field for our junior to mid-level PMEs. Our adjustments, at the S Pass framework in particular, will also help our Polytechnic graduates.

32. **We will not pursue an approach that requires companies to choose a Singaporean regardless of merit. What we do need, is to ensure is that companies are fair in assessing all potential candidates for jobs, and both to deter and punish any form of discriminatory or biased decision-making on the part of individuals. This is only fair - because we provide a safe, pro-business environment, companies must surely provide a level playing field for all prospective recruits and employees.**

33. The companies here, both local and foreign, have an important role to play as the environment where we nurture Singaporeans' capabilities and enable

their professional growth. We are investing heavily on education and continual training. This is our competitive advantage. As an example, MTI/MOE launched the Singapore Industry Scholarship to partner with companies with strong HR practices, and who believe in growing their talent. Enlightened CEOs must aim to grow the Singaporeans in their firm.

34. The government has a responsibility to Singaporeans, and businesses have a responsibility to the community where they are located in. This is a virtuous circle of trust. This social compact should be developed and strengthened going forward.

35. As we refine our approach, **we must bear in mind that there is no foolproof way to eliminate bias.** We will require a combination of different measures, including making our existing work pass framework more robust and relying on whistleblowers within companies to obtain evidence and report discriminatory employment practices. Above all, we must set clear social norms and take a systems approach to ensure that Singaporeans are given fair consideration at our workplaces.

## **PRODUCTIVITY AND WAGE CREDIT SCHEME**

36. **Now moving on to other cuts, Mr Christopher De Souza and Mr Teo Siong Seng** asked how the Wage Credit Scheme announced by DPM in his Budget statement ties in with our productivity schemes to move Singaporeans into better jobs and better wages. **Mr Heng Chee How** also raised the issue of whether the Wage Credit Scheme would really raise the wages of workers beyond what the companies would have offered in the first place.

37. My sense is that many businesses, including SMEs, will, in all likelihood, have to raise wages given the tight labour market we are in. Demand is very strong, supply is tight. Productivity, however, may not go up as quickly. We acknowledge this will take some time. And it may not go up as quickly as the pressures to increase wages. In such situations, we do not want companies to hold wage increases back, or to pass on wage increases to consumers simply by increasing prices. The Wage Credit Scheme was designed and intended to help businesses avoid doing either. Providing companies with an interim buffer so that they can better manage rising wage costs over this period of economic

restructuring would also allow them to free up more resources to invest in and to focus on improving productivity, rather than, half the time, worrying too much about managing their bottomlines. Having this assistance to manage costs would help companies. **It is only with productivity improvements that companies will be able to continue paying higher wages in the long run.**

38. **Mr Heng** also suggested that the National Wage Council include in this year's guidelines, a reminder to companies to take the Wage Credit Scheme into account when contemplating wage increases. **In the coming months, the Government will be working closely with the unions and employer groups to ensure that the scheme is well-understood.** We hope that in doing so, more firms will be able to benefit from the significant level of support provided by the scheme.

## **RETIREMENT ADEQUACY**

39. Now let me turn to addressing some of the questions raised on the CPF. **Mr Seng Han Thong** has asked for an update on CPF LIFE. We expect about 34,000 members, or slightly more than half of those turning 55 this year, to be automatically included into CPF LIFE. It is a little early to tell whether members prefer the Standard or Basic Plan, as they are given 6 months to choose their plan. It is similarly a little too early to work out what their actual payout levels will be. But we know that the median Retirement Account balance for active members turning 55 in 2013 is projected to be about \$90,000. This would correspond to a payout of about \$800 for a male member on the Standard plan, or a \$700 payout for females.

40. **Mr Seng** also asked how we are reaching out to older members. About 83,000 older members have already joined CPF LIFE since the scheme was made available to them on an opt-in basis in 2009. This is already equivalent to, and possibly more than the total number<sup>1</sup> of private annuities in force today. So the numbers are not bad, but we do need to reach out. Through various channels, we will continue our efforts to raise awareness among older members and their children that CPF LIFE is an option they may wish to consider.

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<sup>1</sup> MAS, Insurance Statistics (Q3 2011): The total number of individual annuity policies in force as of 3Q 2011 is 73,062.

41. **Mr Seng** also asked what more can be done to help self-employed persons, or SEPs, save up for their own healthcare and retirement needs. The enhancements to WIS announced at Budget 2013 benefit SEPs too. The maximum WIS payouts for low-income SEPs will be increased by 25% to 50%, just like for employees. We will also be giving 10% of WIS payout to SEPs in cash instead of paying it entirely into their Medisave accounts. The larger WIS quantum, together with the increase in Medisave contribution rates for low-income SEPs, will give SEPs more cash-in-hand for their daily expenses while boosting their long-term healthcare adequacy.

42. **Mr Low Thia Kiang** asked whether we could adjust the Minimum Sum (MS) yearly by some more reasonable rate that is not only based on CPI. **It is important that the MS preserves its value so that basic retirement needs for each successive cohort can be met and will not be eroded with inflation.** Hence, we will not be able to completely delink MS increases from inflation.

43. Mr Low suggests excluding imputed rental and private road transport from the inflation measure used – in other words, just focus on core inflation, which as he shared, does not affect the elderly as much. And indeed, understanding this difference is important. We are always captured by the headline numbers for inflation, but actually looking at core inflation is a useful reference point. I would suggest not just the elderly, but for a number of Singaporeans, the core inflation is the figure that matters. When we considered how to moderate the MS increase last year, we had explored using core inflation to adjust the MS instead. We studied historical trends and found that headline inflation and core inflation rates did not differ significantly for much of the past decade. In fact, in some years, core inflation was higher than headline inflation. This is why we decided to stick to using headline inflation, but to moderate the increase in the MS by spreading out the remaining real MS increases to reach the target MS in 2015 instead of 2013.

44. Several MPs touched upon various rules concerning the use of CPF for housing. **Mr Low Thia Kiang** asked for a review of the Valuation Limit (VL) policy. The VL aims to prevent excessive use of CPF savings for housing. As Mr Low has described, members who reach the VL may face difficulties in financing their homes. In fact I faced the same situation from residents who have come to see me. **Mr Yee Jenn Jong and Mr Gan Thiam Poh** raised this

in Parliament last year. Several other MPs, including **Er Lee Bee Wah and Mr Masagos Zulkifli**, had also earlier approached MOM directly to ask for a review. **We are starting a review of the VL policy. Meanwhile, on a case-by-case basis, we have allowed members some flexibility to use CPF beyond the VL where the case merits. The review is under way, and when ready, we will announce the outcome.**

45. **Ms Lee Li Lian** has asked that members be allowed to use their Retirement Account (RA) savings to pay outstanding housing loans. Today, members can already use the part of their RA which is above half of the MS for housing. On a case-by-case basis, we have granted concessions for needy elderly members to tap on even more RA savings for their housing needs. On the case that Ms Lee mentioned, I just checked with my staff. We did not reject the case but are waiting for details on the case from the member. Once we get the details, we will assess if the case warrants merit.

46. Madam Chair, I will now briefly address additional concerns raised by MPs on better protection for our workers, an issue I had covered in my first speech. **Mr Seng Han Thong** asked about better protection for our self-employed Singaporeans. This will be addressed in Phase 2 of the EA review. We recognise however that there may be workers who are engaged as freelancers or self-employed persons when the relationship is really one of employer-employee. As a result, these workers do not enjoy protection as an employee under our labour laws. It is important for us to look at this in the Phase 2 of our Employment Act review. **We will continue to raise awareness of compliance with the EA and CPF Act under the WorkRight campaign to ensure that the employment rights of such workers are protected.** And I do ask members of this House to support the campaign, because as a result of greater awareness, we have found that people are stepping forward, particularly low-wage Singaporeans and Singaporeans with lower education who may not be familiar with their rights. It is important for their rights to be respected and be enforced.

47. **Mr Yeo Guat Kwang** suggested better protection of our foreign workers, I would like to stress that the EA is nationality blind. The enhancements to the EA apply both to local and to foreign workers. We have also made changes to the Employment of Foreign Manpower Act (EFMA) last year. And we will be

doing more to protect workers in phase 2 of both the EA and EFMA reviews, with a view to achieve equitable balance of rights and responsibilities between employers and workers.

48. **Mr Zainal bin Sapari** also asked what the Ministry can do to make it easier for workers to make claims for non-payment of salaries. We will be reviewing penalties for salary non-payout as part of the EA review to send a clear signal that employers must not fail to pay their workers' salaries in the first place. I fully share Mr Sapari's concern for some of these workers – any delay actually has a major impact on the quality of life of these Singaporeans. Our plans to make it mandatory for employers to provide payslips, as suggested by **Mr Yeo** will also help in facilitating the resolution of such salary disputes. **I would like to reassure everyone again that MOM is committed to improving our processes, including through our EFMA and EA reviews, to ensure that the employment rights of all workers are protected.**

## **TRIPARTISM**

49. Lastly, I would like to emphasize the continued importance of strong tripartite cooperation in our current landscape. **Strong tripartite cooperation has always been a hallmark of Singapore. It is something quite unique and is increasingly something which many countries view it quite positively. They find it fascinating we are able to establish like that. It is something we should not take for granted and we should strengthen it.** It has contributed to general industrial harmony, stable jobs for our workers and our attractiveness as a business and investment location which ultimately benefits Singaporeans. **Asst Prof Eugene Tan** is right to point out that the SMRT strike in November last year is a reminder that **tripartism cannot be taken for granted.** Asst Prof Tan asked whether legislation can be introduced to enable sanctions against any employer which treats their employees poorly. While the Employment Act already stipulates the basic employment standards, the government's role is to ensure that these basic standards are upheld. We will all agree that it is difficult and not desirable that we use regulations and the law to prescribe management practices. Do we mandate or legislate good management practices? Companies really need to level up and understand that this is the fundamental requirement of building up any great organisations. So disputes actually occur fairly frequently and for some of them, we cannot proceed because it occurs between an employer and his employee. Which is why we are exploring establishing

another set-up to deal with non-statutory violations. And surely the first avenue to solve these disputes must come from the companies, rather than running directly to legislations and laws.

50. While legal strikes are a legitimate course of action for unions to negotiate for pay and other benefits, **we must continue to make sure that there are adequate avenues for consultation, negotiation and dispute conciliation so workers need not resort only to industrial action.** Also, we need to ensure that our unions remain relevant. Asst Prof Tan asked that the Government consider requiring companies to pay the union subscriptions, especially for the foreign employees. Union membership should be driven by unions who would then be motivated to offer attractive services to the members to stay relevant. We understand there are companies, for example Resorts World Sentosa, that do pay for union membership on behalf of all their rank and file members as fringe benefits. Unions can negotiate for this, for their workers.

51. In the wake of the SMRT strike, the National Transport Workers' Union has been reaching out to SMRT employees. I understand that it has been successful in recruiting more union members, many of whom are foreign workers. I also understand that NTUC has set itself the ambitious goal of being one-million strong by 2015, and is actively innovating to reach out to more workers, including by setting up social enterprises that provide a wider range of benefits to union members.

52. Given the very strong commitment by our tripartite partners, I am convinced and confident that we will be able to reinforce the tripartite foundation that we have built up over the decades. By doing so, we remain equipped to handle the new challenges that come with our changing landscape and workplace norms. And this is where it is important to highlight that companies play a very important part. It is not just about the unions or about the workers, employers also play a critical role in this.

## **CONCLUSION**

53. My Ministry, along with the whole of Government, is committed to making things better for all Singaporeans. On our part, we will do what we can to create Better Jobs, Wages and Opportunities for our people. This is important

because it provides a stable base upon which they can reach out and meet their aspirations. We also aim to develop better Workplaces where our people will find work and life meaningful.

54. Can we and our children look to the future with hope? Will our policies touch our lives meaningfully? Would we be proud to call Singapore home?

55. I believe so, but only if all of us walk this journey together - the Government, people and businesses. We all have a part to play because no solutions can just come from the Government alone. Many of this requires a mindset shift. Can you mandate or legislate a mindset shift? There has to be mutual trust and respect for that to happen. These have to be earned not just by what we say, but what we do on all fronts.

56. This Budget is just one step amongst many towards building a Better Singapore for all Singaporeans.

57. Thank you.

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