

Speech by Senior Minister of State Josephine Teo on population at the Committee of Supply

Strengthening our Singapore Family

Madam Chair, I thank Members for their insightful suggestions and questions.

DPM Teo spoke about managing our strategic resources, and there are none more precious than our people. At Strategy Group in the Prime Minister's Office, we work closely with agencies to bring Government together on our national priorities, including to achieve a sustainable population and to strengthen our Singapore Family.

Our key priority is to provide strong support for marriage and parenthood. At the same time, we welcome those who are committed to Singapore and are able to contribute to society as new residents.

Stable immigration helps to maintain citizen population in prime working ages

There are about 2.2 million citizens today in the prime working ages of 20 to 64 years. Without immigration, the size of this segment of our population will fall by close to 10%, or about 200,000 by 2030. With current immigration rates, we are able to maintain the size of the citizen population in the prime working ages at about 2.1-2.2 million.

Members will agree that the composition of our population matters as much as size. One useful indicator is the old-age support ratio (OASR) which refers to the number of working-age citizens for every citizen aged 65 years and above. Our old-age support ratio will decline from 5 today to 2 in 2030. This is the decline with current immigration rates. Without immigration, the decline would be steeper.

A diminishing old-age support ratio has serious implications, including on the economic vitality we hope future generations of Singaporeans can enjoy. But this is not a challenge unique to Singapore. Besides Japan and South Korea which are also ageing rapidly, China will see its OASR halve from 7.1 in 2015 to about 3.6 in 2030¹. Our closest neighbour Malaysia and Thailand will similarly see sharp declines in their old-age support ratios. A recent article in the Economist suggested that these countries may, in time to come, need millions of immigrants to bring about a better population balance.

However, as Assoc Prof Fatimah Lateef alluded to, immigration is a sensitive matter that has to be carefully managed. It is not and must not be a numbers game. Besides achieving a better population balance, we must consider the ability of new citizens to assimilate into our Singaporean family, which is itself increasingly diverse in origin and outlook.

Because of this, we conduct regular reviews of our immigration framework. All PR and citizenship applications are assessed carefully and holistically. For example, we take into account various markers of social integration, including the applicant's family ties to Singaporeans, their family profiles and length of residency in Singapore. We also consider the applicant's economic contributions, qualifications, age and other relevant factors.

We encourage all who wish to join the Singapore family to engage with and participate actively in their local communities, but this should not be done purely as a means to obtain citizenship. All new citizens participate in the Singapore Citizenship Journey (SCJ), which **Mr Leon Perera** talked about. **Mr Perera** knows as well as I do that there are no restrictions as to which constituencies

new citizens can live in, or which political parties they can associate with. For all citizens, we leave the decisions to individuals, which political party they wish to learn more about. If this is how new citizens feel they can integrate into Singapore society, they are free to do so.

In any case, keeping in mind the importance of integration, the Government kept the pace of immigration stable. In 2016, 22,102 Singapore Citizenships and 31,050 Permanent Residencies were granted. The vast majority of adult new citizens have lived in Singapore for five years or more prior to naturalisation, contributing to Singapore society in various ways. Members will note that with this pace of immigration, we are just maintaining and not growing the citizen population in the prime working ages.

This is also why we place priority on Making Singapore a Great Place for Families, where young Singaporeans feel confident that marriage and parenthood are achievable, enjoyable and celebrated. This will be the main focus of my response to members' cuts.

A boost to family formation

Last year, we had 23,873 citizen marriages, an increase from our Golden Jubilee Year. Citizen births fell slightly to 33,161, even though I know some members of the house have done your part. Thank you very much. However, this slightly lower figure is still slightly higher than the average in the past 10 years of about 32,000 babies. Our TFR fell to 1.20 from 1.24 a year ago, due in part to a larger cohort of young Singaporeans who are now entering the peak childbearing ages of 25-39, but who have not yet started having children. 3

Mr Vikram Nair asked about the attitudes of young Singaporeans who are approaching the peak marriage and parenthood ages. He will be pleased to know that Singaporean Millennials – those in their mid-teens to early thirties – still have strong aspirations to marry and start families. According to our survey last year, 83% of single Millennials want to get married. Among married respondents, 92% want to have at least two children.

We have identified three key areas which will help Singaporean Millennials turn these aspirations into reality. These are:

- a. Faster access to public housing;
- b.
- c.
- d. More affordable and quality pre-school services; and
- e.
- f.
- g. Greater workplace and community support.

At this COS, we are announcing a package of enhancements that are a significant boost to family formation for Singaporean Millennials. Together with the parental leave enhancements that will take effect this year, these measures will help young Singaporean couples i) get a place of their own earlier, ii) have better peace of mind in caring for their babies, and iii) enjoy better workplace and community support in their parenthood journeys. We expect the enhancements to benefit about 25,000 families annually.

Housing – “A place of our own”

Let me start with housing. Due in large part to the success of our public housing programme, many couples now aspire to own their homes before they start a family. We support this aspiration through several policies.

For example, the Parenthood Priority Scheme or PPS gives priority allocation of new flats to first-timer married couples who are already parents. But the PPS also offers the same benefit to couples who are not yet parents but are expecting a child. Last year, first-timer PPS applicants were twice as likely to be successful in their BTO and SBF flat applications as compared to first-timer non-PPS applicants.

Over 80% of first-timers buy new rather than resale flats. Today, the average waiting time for BTO completion is 3-4 years, which **Ms Tin Pei Ling** noted. If these couples need their own place urgently, the Parenthood Provisional Housing Scheme, or PPHS, provides interim rental housing at below market rates. As pointed out by **Mr Darryl David and Ms Tin Pei Ling**, PPHS has indeed been a helpful scheme for parents. So far, it has benefitted about 2,000 families, and 400 babies have been born to families living in PPHS flats.

Later in the debate, Minister Lawrence Wong will outline plans to provide some BTO flats with shorter waiting times. He will also share plans to enhance the PPHS to help more couples who want to live on their own while waiting for their BTO flats, including improving their affordability as Mr Darryl David hopes.

For couples who do not wish to wait or prefer to live near their parents, a good option is resale flats, which about 20% of all first-timers have bought. At the Budget speech last week, the Finance Minister announced enhancements to the CPF Housing Grant. Couples buying resale flats can henceforth enjoy up to \$110,000 in grants.

With shorter waiting times, more accessible PPHS flats and higher resale grants in place, more couples will be able to enjoy a place of their own faster. But I urge couples not to delay planning as a result. There are many worthy pursuits in life and if marriage and parenthood are to feature at all, they have to be prioritised earlier rather than later. And as I have said before, please don't wait till it's too late.

Pre-school – “Care for our baby, peace of mind for daddy and mummy”

Secondly, let me turn to pre-school. It is an area in which we will strengthen support for parents – childcare, and particularly in the care of infants.

Today, many infants – up to 18 months old – are cared for at home by family members. This is usually the mother or grandparent, sometimes with support from a domestic helper.

However, as **Dr Lim Wee Kiak** noted, more women and grandparents are entering or remaining in the workforce.

This is a positive development which adds to the vibrancy and depth of experience in our economy. But it also means a growing need for care of infants outside of homes. Today, a relatively small proportion of infants, 8%, are enrolled in centre-based infantcare, but the satisfaction levels of these parents are as high as those whose infants are cared for at home.

The Early Childhood Development Agency, or ECDA, will meet the growing demand for centre-based infant care by increasing capacity to over 8,000 places in the next few years. Minister Tan Chuan-Jin will share more.

While we ramp up capacity, we will at the same time maintain quality. The new Early Childhood Development Centres (ECDC) Bill which was passed earlier this week will help ensure greater consistency and standards across the whole sector. Childcare service provision has expanded considerably. I wish to assure **Dr Lim** that ECDA also recognises the importance of matching supply to demand and will seek improvements in this area.

Dr Lim and Ms Tin pointed out that some families still prefer their infants to be cared for at home, and asked how we might strengthen support for home-based care. These are valid points. It is therefore heartening that NTUC's SEED Institute, which has trained many of our early childhood educators, will now look at sharing their expertise to help train domestic helpers.

SEED has collaborated with healthcare professionals from KK Women's and Children's Hospital (KKH) to pilot an infant care training course for domestic helpers employed by families with young infants. The course will equip these domestic helpers with the basic knowhow to care for and interact with infants, with a focus on safety and hygiene which are the key concerns of parents. It also includes a module to help both the employers and their helpers establish a common understanding of how the infant should be cared for.

SEED and KK Hospital plan to offer 100 training places through this pilot. If the response is positive, the pilot could be scaled up. Other caregivers, such as nannies, babysitters or even parents themselves, who wish to receive caregiving training can use their SkillsFuture credits to attend several infant and childcare courses² already available in the market.

Workplace Support – “We can manage work and family successfully”

Turning now to workplace support. Besides housing and childcare, the third important area of focus is workplace support. Millennials, both men and women, want to have meaningful careers and fulfilling family lives. Indeed, both sets of aspirations are worthy of support. I share **Ms Sun Xueling's** view that we should look at support from the lens of a young parent and plug the gaps so that the transitions at each stage of the parenthood journey can be more seamless, and young parents can manage both family and work successfully.

Take parental leave for example. We have introduced a number of enhancements in recent years which are welcomed by parents. From this year, the law provides for a second week of paternity leave. Enhancements to shared parental leave and adoption leave will also come into effect in July. Parents are happy to have more time to care for and bond with their infants, and fathers can also play a bigger role in raising their newborns, all while remaining in employment.

However, even with the latest enhancements, the return back to regular work may still be tough for those without strong family support and who need centre-based infantcare.

Today, both working parents together can enjoy 20 weeks of paid leave in the first year after their child is born, and 2 weeks of unpaid leave. Even though infantcare centres are able to take in babies from the time they are 2 months old, most parents feel more confident when their babies are about 6 months or 26-weeks old. For such parents, there could be a caregiving gap of around 4 weeks.

We want to provide better workplace support for these parents, while balancing the need for businesses to adjust to the recent parental leave enhancements. Therefore, the public sector will take the lead to pilot a scheme to close the potential caregiving gap.

Under this pilot, public sector officers and their spouses will be guaranteed 6 months of parental

leave per couple. From July this year, the Public Service will provide an additional 4 weeks of unpaid infantcare leave per parent, to be taken within the child's first year. This means that as long as one parent is working in the Public Service, the couple can have up to 26 weeks of leave, or 6 months, between them.

Members may ask if the additional leave can be paid rather than unpaid. Our observation is that even with paid parental leave, some parents have not been utilising them in full. Some do not need all the leave provided; others face pressures at work that prevent them from taking more parental leave. Further paid leave does not benefit these parents. Instead, parents want better assurance of workplace support, that they can take all their parental leave provisions if they need them.

This is why we have decided that the main objectives of the pilot in the Public Service are to test the general viability of longer parental leave, and to require all supervisors to facilitate such leave. Under this pilot, supervisors in the public sector, which includes ministries and statutory boards, will no longer be able to say "maybe yes, maybe no". The leave provision is gender-neutral; both male and female public officers are eligible to apply. As long as they have been given reasonable notice, supervisors will have to accede to all applications for such parental leave and make the necessary work adjustments.

The public sector pilot will also be for a longer period of three years so that we can adequately test the impact of longer parental leave in a variety of work settings. These experiences will be useful in assessing whether a nation-wide rollout is practicable in future.

But I'd like to add a word of caution here – we should not under-estimate the challenges of such a move. As it is, some employers face great difficulty in accommodating staff with childcare needs. Some parents also tell of the pushback they experience from co-workers. Extending parental leave can unwittingly be an added source of tension at the workplace. Therefore, I hope members will help to rally support for the pilot and give us suggestions on how we can improve its chances of success. Needless to say, while we are piloting this measure in the public sector only, we hope some private sector companies will also join in to lead the way.

I should also add that parental leave provisions can only do so much. As many members have pointed out, what employees want increasingly is flexibility. I thank **Mr Desmond Choo** for his suggestions on how technology can be an enabler for this.

The Ministry of Manpower (MOM) has a useful way of thinking about flexible work arrangements (FWAs) - flexi-time, flexi-place, flexi-load. The data shows that two in three employees worked in companies that provided at least one form of flexible work arrangements. Anecdotally however, as **Mr Saktiandi Supaat** has noted, many employees do not feel the impact of such support. In any case, our survey last year revealed that 8 in 10 married respondents cited having FWAs as an important consideration when deciding which company to join.

So it appears that companies still have some catching up to do. The Government will continue to support them through various resources, including MOM's Work-Life Grant, which provides up to \$160,000 to help companies implement FWAs. More recently, the Tripartite partners have published an advisory which guides companies through the process of introducing FWAs in workplaces. MOM is studying ways to encourage more companies to come on board and will share more details later in the year.

Community Support: "A kampong for our family"

Let me now turn to community support. I agree with **Mr Alex Yam** that Government action alone

cannot bring about a mindset change. They say it takes a village to raise a child, and in Singapore, we want the entire kampong to chip in.

Supportive communities can greatly enrich family life. Take for example the Trivelis Babies group, a ground-up initiative by residents of the Trivelis estate in Clementi. The group started when a few young parents were looking for mutual support in their parenthood journeys, and has grown organically to about 150 members. What was originally a “virtual kampong” to exchange child-minding tips is now a fairly tight community that comes together regularly to celebrate the Mid-Autumn Festival or dress up for Halloween parties.

The People’s Association has some ideas on how we can bring communities together to celebrate families in a bigger way. They dovetail nicely with the many 100-day showers **Ms Sun** has attended. PA will share more in a few weeks. We also have plans to make our public 8 transportation more family-friendly. The Ministry of Transport will give more details at next week’s debate.

With your permission, Madam Chair, I would like to speak in Mandarin for this portion of my speech please.

Section in Mandarin

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Conclusion

Madam Chair, families are the foundation of society, and our efforts to strengthen these foundations must never cease. Last year, I outlined our vision in Making Singapore a Great Place for Families, where marriage and parenthood are Achievable, Enjoyable, and Celebrated. We remain strongly committed to this vision.

The package of enhancements to be implemented after this year’s COS will benefit an estimated 25,000 families annually when fully rolled out, and cost the Government an additional \$140 million per year. This comes on top of the \$2.5 billion each year that is set aside to support marriage and

parenthood. The enhancements will help couples get a place of their own sooner, have more peace of mind in the care of their infants, and enjoy greater workplace and community support.

We know it is not enough for Government to act alone. Everyone – family, friends, employers, co-workers, and the community – must come on board. Together, we can ensure that Millennials experience Singapore as a place where they can Achieve their dreams, Enjoy their families and careers, and Celebrate their children with their communities.

Thank you, Madam Chair.

¹ Source: United Nations, Department of Economic and Social Affairs, Population Division

² Examples of such courses include PA's "Caregiving for Infants" and a confinement nanny training programme that is jointly conducted by KKH and WINGS. (WINGS is a non-profit organisation focused on promoting active ageing for women.)

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