

Budget is not a 'goodie bag' but a financial plan for Singapore's future, says DPM Heng

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SINGAPORE: The Budget is not a “goodie bag” but a financial plan that supports a more strategic plan for Singapore’s future, Deputy Prime Minister Heng Swee Keat said on Monday (Jan 20).

He was responding to a question from the director of the Institute of Policy Studies (IPS) Janadas Devan, on whether this year’s Budget, which will be announced on Feb 18, will be a “General Election Budget”.

The Deputy Prime Minister was speaking during the question and answer session at the IPS’ Singapore Perspectives conference.

Mr Heng, who is also the Finance Minister, said: “Many of the things that we invest in our Budget - whether it’s to restructure the economy, to provide better opportunities for our people - helps us to build capabilities, not just in one or two years, but over the long term.”

The budgets for economic upgrading and for workers’ training have gone up significantly, and “we have to think of ways in which the resources of the country are put to the best use for the long-term future”, he said.

“It is not a short-term giveaway. That would not help us to build that capability to grow and prosper and allow our people to have a better life,” he said.

Some issues, like the current economy affected by the ongoing trade war, require both short and longer term measures, he said.

“If you look at segments of population that will be under stress, what else do we need to do?” he asked.

Mr Heng said in his speech earlier in the day that the Government is studying how it can better help lower and lower-middle income Singaporeans, including current and future seniors, to meet their retirement needs in a sustainable way, promising more details in his upcoming Budget speech.

FACTS NEED TO BE ACCURATE

Mr Heng took several questions, two of which were about the Protection from Online Falsehoods and Manipulation Act (POFMA).

One audience member from the Nanyang Technological University asked whether the Government will continue to use laws such as POFMA as the “antidote to problems”.

He asked if Mr Heng thought if such laws might “widen the gap” between citizens and the Government.

In response, the Deputy Prime Minister said that POFMA is not about stopping people from having different points of view but is used to target falsehoods.

“For political discourse, when you are making decisions on the future of a country, all the more we need to make sure that opinions and facts that are put out are accurate and not false and misleading,” he said.

Different groups of people around the world seek to exploit others by fabricating facts, he said, citing the case of Brexit. The numbers that were given out about how much the United Kingdom was remitting to the European Union every week was “grossly exaggerated”, he said.

"I do not know the extent to which that influenced the voters' decision on Brexit but these are major, major decisions affecting a country's future and the people's future. How can it be based on false facts?" he asked.

He said that POFMA is used "precisely" to tackle this issue of fake news that "unprincipled people" are prepared to purvey in order to "get their position".

In response to another question about the need for a Freedom of Information Act, Mr Heng explained how and why POFMA was invoked for the first time in November last year.

Correction directions were issued to opposition party member Brad Bowyer after he put up a Facebook post questioning the independence of Temasek and GIC, among other things.

"It (the Facebook post) alleged that Temasek invested in a company which Temasek did not. The basis for making that statement was completely not there," Mr Heng said.

"What sort of information do we require? That any investment made by any entity will then have to be subject to freedom of information - and anyone can look at what it has invested in?"

"Would that be in the longer term interest of the entities? I don't think so."

GST SYSTEM NOT REGRESSIVE

Mr Heng also took questions from opposition party members, including Professor Paul Tambyah from the Singapore Democratic Party (SDP), Mr Goh Meng Seng from the People's Power Party (PPP) and Mr Leong Mun Wai, Progress Singapore Party's (PSP) newly-minted assistant secretary-general.

SDP chairman Prof Tambyah asked if all alternatives had been considered before the Government decided on a planned GST hike. He described it as a "regressive" tax and gave alternatives, such as returning the top corporate tax level to 20 per cent.

Mr Heng said that the raw numbers may make the GST system look regressive, but it is not.

"I would like to correct you on that. It is important for us to consider our tax system as a whole and not to pick on one or two pieces and say 'this part is regressive, this part is not progressive'," he said.

What is collected in GST has to be weighed against other taxes and spending, he said.

"We have been very careful in designing the policies, to make sure that the benefits of our tax system and many of the schemes that we have, benefit the lower-income groups, the ones who need help the most," he said.

Mr Goh, PPP's secretary-general, said a "divisive force" is returning to Singapore and asked where new citizens would stand in "changing geopolitics". He gave the example of new citizens from China having allegiance to their home country.

"Will this affect our policies, our political direction, and the decisions that we make?" he asked.

Mr Heng acknowledged that that new citizens can be a divisive force if doubts are cast on their loyalty.

Given that new citizens have decided to live in Singapore, Singaporeans must make the best effort to welcome them and integrate them so they can be part of "our team", Mr Heng said.

"In that regard, I must say that I am very troubled that so many people are seeking to exploit these differences," said Mr Heng.