

Observers Expect Budget 2014 to Help Families Ease Cost of Living

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SINGAPORE: Observers Channel NewsAsia spoke with expect more help from the government in this year's Budget to ease the cost of living for families.

Beyond a focus on the most vulnerable, they say middle income and multi-generational families should also be taken care of -- and they expect some direct help to families, in the form of GST, transport and utilities vouchers.

As was the case last year, the government is expected to continue to focus on inclusive growth in this year's Budget.

Mr Seah Kian Peng, MP for Marine Parade GRC and chairman of the Government Parliamentary Committee for Social and Family Development, said: "I think our country is now in a different phase of development.

"We have, in one-and-a-half generations, really leap-frogged economically and our finances are sound. I think it now calls for the need to make sure that, indeed, we do not leave anyone behind.

"We need to share the fruits of our labour and our success with every Singaporean."

One way the government is doing this is through the Pioneer Generation Package, which will see more healthcare subsidies -- for life -- for people aged 65 and above.

Observers say this will also ease the burden on multi-generational families.

Associate Professor Tan Ern Ser, head of Social Lab at the National University of Singapore's Institute of Policy Studies, said: "Healthcare cost is particularly important.

"We need to take care of the elderly, in particular those who have not done much retirement planning and who may not even have medical insurance.

"If you don't take care of them, then the problem and the cost will be cascaded to their children and we don't want to undermine or sabotage the next generation."

Some say targeted help is needed for families, and policies should look beyond just household income.

Mr Lim Biow Chuan, MP for Mountbatten SMC and chairman of the Government Parliamentary Committee for Education, said: "Someone earning, say, \$3,000, \$4,000 or \$5,000, wouldn't really be classified as low income.

"But I think that in terms of the expenses that (they) have to pay -- in terms of the cost of medical, education, and if you add up all the transport -- they do add up to make things a bit stretched for them.

"So I do wish the government can also... see what it can do to extend some of the Budget goodies to this particular group."

Last year, \$1.7 billion in direct transfers were given out to help families cope with the cost of living and this year, some say they expect more of such initiatives, which could be in the form of GST or transport vouchers.

Finance Minister Tharman Shanmugaratnam had said last year that the GST Voucher scheme will be a long-term feature of Singapore's fiscal system and not a scheme of temporary offsets.

He said money will be set aside to ensure that the government can provide GST Vouchers irrespective of economic circumstances over the next few years.

The vouchers are aimed at helping lower and middle-income households.

The money is given out via channels like the Medisave accounts of older Singaporeans and permanent U-Save rebates to offset utilities bills.

"It is clear that this government has a bias towards making sure that social mobility is there," said Mr Seah.

The government will also maintain an emphasis on education as it seeks to enhance social mobility.

Mr Lim said: "One area which I feel we should look into is in providing more financial assistance to students who are able to get into Integrated Programme schools, polytechnics and universities."

He said that the government should make sure that as long as they are able to get into those institutions, they will not have to worry about being able to finance it.

"So more targeted bursaries would be useful," Mr Lim added.

Observers say this year will see several of the initiatives announced in last year's Budget take effect.

These include enhancements to the pre-school sector and expansion of social services into HDB towns with the establishment of Social Service Offices.

Mr Seah said: "We know that there will be more (Social Service Offices) coming up and we need to see a more coordinated approach because these days problems affecting this group of people are not one dimensional -- they are multi-dimensional.

"In fact they cut across, in some cases, several agencies -- it could be marital issues, family issues, it could be in education, it could be financial, it could be healthcare related.

"So the problems cut across several agencies and working with existing voluntary welfare organisations will allow for a more coordinated and seamless approach for this group of individuals." - CNA/al

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