

S'poreans cheer Budget, but worry about foreign worker levy hike

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Most Singaporeans like this year's Budget because they see initiatives that will help them tackle bread-and-butter burdens such as the cost of living and job prospects.

But they are also concerned about the proposal to cut back on cheap foreign labour by raising foreign worker levies.

These are the conclusions from a survey of 800 Singaporeans, which show seven in 10 support all the recommendations in Budget 2010.

Among them are five top recommendations, which got the backing of more than 90 per cent of the respondents.

Heading the list are two proposals: An increase in parent tax relief for those caring for parents and grandparents, and a top-up to the Post-Secondary Education Accounts of students.

At least 92 per cent gave them the thumbs up in a telephone survey done between Feb 24 and March 3 by the Government's feedback unit, Reach.

The Budget Statement was presented on Feb 22 and debated in Parliament over the past two weeks.

The survey also yields an interesting finding: The least-supported recommendation is the rise in foreign worker levies to scale back reliance on foreign labour.

Six in 10 say they agree with it.

The finding, said Reach chairman Amy Khor, is in line with a survey her unit did last month in response to key recommendations put up by the Economic Strategies Committee (ESC) to grow Singapore's economy in new ways in the current decade.

About 70 per cent of 807 Singaporeans polled then said they agreed with the ESC recommendations, but only 56 per cent agreed with the idea to raise foreign worker levies.

Dr Khor said the two surveys' findings show that while Singaporeans are concerned about the influx of foreigners in recent years, there are many who understand that foreign workers are necessary.

'This shows the foreign worker issue is a complex matter that affects different people in different ways.

'It also means we need a calibrated approach, and to continue to monitor and review it,' she said.

Dr Leong Chan Hoong, a research fellow at the Institute of Policy Studies, said Singaporeans are also concerned about higher prices in the event that companies pass on to them the higher foreign worker levies.

Singaporeans may also be unsure whether the higher levies can be a strong force in scaling back employers' reliance on foreign workers, he said.

The three other recommendations that gained support from more than 90 per cent are:

- Launch of the Workfare Training Scheme to help low-wage workers overcome barriers to training (91.8 per cent).
- Provision of a one-off top-up to the Central Provident Fund Medisave Accounts of older Singaporeans aged 50 and older (91.1 per cent).
- Plans to strengthen the Continuing Education and Training system to boost skills of the workforce (90 per cent).

Dr Khor said strong support for these measures shows that bread-and-butter issues remain Singaporeans' top priority as it affects them directly.

Many also understand the Budget's aim is to achieve sustainable growth via productivity so that 'all Singaporeans will have better jobs, better-paying jobs, and hence better quality of life', she added.