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Second Session

FOURTH REPORT OF THE ESTIMATES COMMITTEE

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ESTIMATES COMMITTEE

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FOURTH REPORT OF THE ESTIMATES COMMITTEE

OVERVIEW

1 The Estimates Committee, pursuant to Standing Order No. 100 (3), considered the Revenue and Expenditure Estimates for the Financial Year (FY) 2024/2025 (Paper Cmd 27 of 2024).

2 In the consideration of the various matters and initiatives related to the Budget for FY 2024/2025, the Committee decided to focus its enquiry in the following three areas:

(a) Age Well SG
(b) National Artificial Intelligence Strategy 2.0
(c) Financing of Statutory Boards

3 Over the course of its enquiry, the Committee received two memoranda from the Ministry of Finance (MOF) on 14 June 2024 and 16 September 2024. The Committee's queries to MOF and the latter's responses were consolidated in Sections A, B and C of this report.

AGE WELL SG

4 The Committee noted that in Budget 2024, the Government announced that an estimated amount of $3.5 billion had been set aside for Age Well SG to support seniors in their homes and communities, including expanding the network of Active Ageing Centres (AACs), as well as introducing more senior-friendly home fittings and commuter infrastructure.

5 Given the Committee's remit of scrutinizing how the Government's annual Budget initiatives are implemented and whether the intended results and outcomes are achieved by the underlying policy instruments, the Committee enquired about the Good Health Outcomes monitored by the Government, the plans to expand the network of AACs, the timelines relating to the enhancement of Singapore's infrastructure for the elderly, and the feedback received from pilots of such infrastructure enhancement projects.

MOF's Response to the Committee

Age Well SG

6 MOF shared that Singapore is undergoing a significant demographic shift, with projections indicating that by 2030, one in four residents will be aged 65 or older, and that ageing has an impact on chronic disease prevalence and general health, including the prevalence of diabetes, hypertension, and high blood pressure.

7 The Committee noted that health outcomes had improved in Singapore over the past few decades. Life expectancy at birth and health-adjusted life expectancy had increased. The Committee understood that an estimated 100,000 seniors might face at least mild disability by 2030, requiring assistance with at least 1 activity of daily living and that there is a need to do more to support seniors to live longer in good health. Further, it was observed that an increasing number of seniors are living alone, and this might lead to social isolation which has significant

impact on their vulnerability to health decline and related complications. Further details may be found in paragraph A1 of Section A.

8 It was shared that the Government had launched Age Well SG to go upstream to keep seniors healthy. The Committee understood that Age Well SG, led by Ministry of Health (MOH), Ministry of National Development (MND) and Ministry of Transport (MOT), focused on supporting seniors in Singapore to age well in the community by proactively caring for their needs and pre-empting social isolation. The Committee noted that the Government would anchor community health through encouraging active ageing and promoting senior volunteerism. The Government would also strengthen support for seniors with care needs and make improvements to the living environment.

9 The Committee was informed that as Age Well SG was announced recently in Budget 2024, its effects on seniors' health would only be discernible after some time. The Committee noted that the Government would continually monitor and evaluate the progress of Age Well SG initiatives and its impact in the longer term, and that the Government would review the programmes for their cost-effectiveness in achieving their intended outcomes when there was sufficient data to do so.

Expanding the Network of Active Ageing Centres

10 The Committee enquired about the Government's plans to expand the network of AACs to 220 island-wide by 2025. It was shared that MOH had been working closely with the Agency for Integrated Care (AIC), MOH Holdings and Workforce Singapore (WSG) to help community care organisations such as AACs, nursing homes and community hospitals to attract and retain manpower.

11 The Committee noted that such efforts included job redesign and ensuring the competitiveness of salaries in the sector. The Committee was also informed that MOH had recently published salary guidelines to better inform job seekers on the expected renumeration for community care roles and engaged community care organisations to review their salaries to match the guidelines. It was also shared that MOH would also be extending the Award for Nurses' Grace, Excellence and Loyalty (ANGEL) retention scheme to eligible nurses in the participating community care organisations.

12 It was understood that other efforts included the implementation of the Tripartite Framework for the Prevention of Abuse and Harassment, which adopted a zero-tolerance policy against the abuse of healthcare workers. The Committee was informed that the framework provided clarity on what behaviour constituted abuse, remedial actions that healthcare institutions could take against perpetrators, including guidelines on when to escalate such incidents to police, how employers could support the affected staff, and preventive measures that healthcare institutions could take. The Committee also noted that through the Silver Guardian programme, MOH aimed to build up volunteer pools to support AAC staff in organising active ageing programmes, and befriending and buddying socially isolated seniors.

13 The Committee was informed that when deciding on the location of AACs, MOH had identified and secured sites based on factors such as accessibility, proximity to other existing AACs, available space and suitability of infrastructure. It was noted that MOH was expanding the network of AACs in both public and private housing estates and would leverage existing community assets such as HDB community decks and Residents' Networks or Residents'

Committees in these areas to further expand outreach and conduct activities for the seniors. The Committee understood that the repurposing of existing spaces improved efficiency of use of land without the need for extensive new construction, in view of binding land and manpower constraints.

Enhancement of Singapore's Infrastructure for the Elderly

14 In response to the Committee's queries on the enhancement of Singapore's infrastructure to be more senior- or elder-friendly, five Age Well SG initiatives led by MND and two Age Well SG initiatives led by MOT were shared with the Committee.

15 On MND's in-flat Age Well SG initiatives, the Committee noted that Enhancement for Active Seniors (EASE) 2.0, an initiative which subsidises items installed to improve mobility and safety within the flat, offered through the Home Improvement Programme and residents' direct applications to HDB, was launched on 1 April 2024 and would be progressively implemented over the next few years. It was shared that more details on the timeline for EASE 2.0 would be shared publicly when ready. The Committee was also informed that the expansion of the Wireless Alert Alarm System for seniors in public rental housing would start from January 2025 and would cover three rental blocks per month, starting with rental blocks that had a higher number of seniors in locations such as Bukit Merah and Kallang Whampoa.

16 On MND's estate-level Age Well SG initiatives, the Committee understood that a first batch of precincts would be selected by the end of 2024 for the senior-friendly enhancements as part of HDB's Neighbourhood Renewal Programme Phase 5, and that more details would be shared publicly when ready. It was also noted that upgrading works involving senior-friendly enhancements for over 20 older HDB precincts, ineligible for the Neighbourhood Renewal Programme as they had undergone upgrading in the past, with a higher density of seniors in Ang Mo Kio, Bukit Merah, Queenstown, and Toa Payoh would be progressively implemented from 2024 to 2028. The Committee was also informed that details on senior-friendly enhancements for selected private house estates as part of the Estate Upgrading Programme would be shared publicly when ready.

17 On MOT's street-level Age Well SG initiatives, it was shared that five pilots on the Friendly Streets initiative, a collaborative effort between the Land Transport Authority (LTA) and the local community which would make daily journeys to key amenities in neighbourhoods safer, more convenient and comfortable for those walking or cycling, had begun in 2023. The Committee understood that MOT intended to start engaging the communities and relevant stakeholders on the locations and implementation details of 10 more Friendly Streets in 2024, and that the Friendly Streets initiative would be expanded to all HDB towns by 2030, including private estates with high-activity areas and key amenities such as markets and hawker centres nearby.

18 It was further shared that LTA had engaged residents in the five pilot towns through surveys before the commencement of construction for each pilot. Out of the approximately 400 respondents, nine in ten felt that Friendly Street features would further improve safety and barrier-free accessibility in their neighbourhoods. The Committee understood that LTA planned to engage residents via surveys upon the completion of pilots by end-2025 to obtain public feedback on the completed works. The Committee was informed that the learning points gleaned from the pilots would be applied in the future expansion efforts of Friendly Streets.

Information on the Friendly Street initiative is available in paragraphs A10 and A11 of Section A.

19 The Committee was informed that LTA planned to enhance commuter infrastructure island-wide over the next decade to enhance first-mile and last-mile connectivity. It was shared that this would include building more covered linkways, upgrading more bus stops with senior-friendly features, and retrofitting more pedestrian overhead bridges with lifts.

Observations and Recommendations

20 In view of the significant demographic shift that Singapore is undergoing, the Committee is heartened to note the estimated amount of $3.5 billion set aside for Age Well SG to support seniors in their homes and communities. The Committee noted that health outcomes such as life expectancy at birth and health-adjusted life expectancy had improved in Singapore over the past few decades.

21 Noting that an estimated 100,000 seniors might face at least mild disability (requiring assistance with at least 1 activity of daily living) by 2030, the Committee urged the Government to do more through Age Well SG to go upstream to support seniors to live longer in good health, especially seniors who may face social isolation which has significant impact on their vulnerability to health decline and related complications.

22 The Committee noted that the various initiatives to cater for the elderly such as Active Ageing Centres and senior-friendly enhancements for selected private housing estates as part of the Estate Upgrading Programme. The Committee urged the Government to continue ensuring that seniors and their caregivers in private estates have access to elderly-friendly facilities and services.

23 The Committee understood that because Age Well SG was announced only recently, its effectiveness would only be discernible after some time. The Committee encouraged the Government to continually monitor and evaluate the progress of Age Well SG initiatives and their impact in the longer term. The Committee noted the Government's assurance that Age Well SG programmes would be reviewed for their cost-effectiveness in achieving their intended outcomes when there was sufficient data to do so. The Committee urged the Government to share the outcomes of such reviews and the health outcomes achieved by Age Well SG when ready.

24 The Committee was encouraged to note that MOH had been working closely with AIC, MOH Holdings and WSG to help community care organisations such as AACs, nursing homes and community hospitals to attract and retain manpower by carrying out job redesign, ensuring the competitiveness of salaries in the sector, and adopting a zero-tolerance policy against the abuse of healthcare workers. The Committee urged the Ministry to continue its efforts to recruit and retain healthcare workers in view of the significant demographic shift that Singapore is undergoing.

25 The Committee was informed of the Age Well SG initiatives by MND and MOT. The Committee recommended exercising prudence in ensuring cost-effectiveness, administrative efficiency, and the avoidance of wastefulness in such initiatives. This could include reviewing the initiatives when there was sufficient data to do so, reducing any duplicate features among the programmes where necessary to achieve administrative efficiency.

26 The Committee noted that the Action Plans for Successful Ageing were published in 2015 and 2023. In light of the greater relevance of ageing issues in the years ahead, the Committee recommends the publication of such reports on a five-yearly or shorter basis.

27 For the full details on the questions posed by the Committee and responses received, please refer to paragraphs A1 to A12 of Section A.

NATIONAL ARTIFICIAL INTELLIGENCE STRATEGY 2.0

28 In his Budget 2024 speech, then Deputy Prime Minister and Minister for Finance Lawrence Wong spoke about the Government's plans to invest in emerging technologies, with (i) more than $1 billion over five years for the National Artificial Intelligence Strategy 2.0 (NAIS 2.0) and (ii) an upgrade to the Nationwide Broadband Network to 10 Gbps.

29 Noting that the National AI Strategy was first unveiled in 2019, the Committee enquired whether any learning points or experiences from the initial launch in 2019 were applied to NAIS 2.0, and what measures of success for the various courses of action as listed in the NAIS 2.0 strategy were.

30 The Committee asked whether MOF could share the learnings and findings from the investment in building SEA-LION (Southeast Asian Languages in One Network) as a means to grow Singapore's capabilities and test the hypothesis that there was value in training large language models (LLMs) on Southeast Asian Languages.

31 The Committee noted that the Government was committed towards providing more customised support to help companies scale up, and asked how the Government would work with training partners, employers including SMEs, unions and workers, through the Jobs Transformation Maps (JTMs) to help Singaporeans gain AI-proficiency and stay relevant in the workforce.

32 The Committee also asked what the evaluation and selection process for the new AI Visiting Professorship and the new AI Accelerated Master Programme to grow the pipeline of Singaporean AI researchers would be, and how many professors had been selected in the past five years.

MOF's Response to the Committee

Learning Points from National AI Strategy 2019 (NAIS 1.0)

33 The Committee was informed that since the launch of NAIS 1.0, AI had shifted from being an opportunity to a necessity, and the technology had moved beyond standalone applications to requiring an entire ecosystem to be in place to support its widespread adoption and innovation. These shifts necessitated a more comprehensive and systematic approach under NAIS 2.0, building on our investments and learnings from NAIS 1.0. The Committee understood that some of the specific learning points are as follows:

34 First, it was learnt that the approach under NAIS 1.0 of activating Government demand alone was insufficient, given the increasing pervasiveness of AI across the economy. The Government thus extended the approach under NAIS 2.0 to include other key activity drivers (viz. industry and research) and was orchestrating interactions amongst these key activity drivers to tackle meaningful use cases at scale.

35 Second, it was shared that the Government found that investments in key enablers such as talent, compute, and data, created strong foundations to compete in AI. There was therefore a need to press on with these investments, especially as global competition for these resources intensifies. For example, given the scarcity of AI talent globally, the Committee was informed that the Government intended to triple the number of AI practitioners in Singapore, from 5,000

to 15,000 in three to five years. The Committee understood that generative AI also required high-performance compute such as Graphics Processing Units. Building on Singapore's data connectivity and reputation as a leading data centre hub, the Government was of the opinion that Singapore was well-placed to work with industry partners to avail access such resources to support the development and deployment of generative AI in Singapore.

36 On a further query from the Committee on the plans in place to achieve this, specifically, what proportion of AI practitioners were expected to be from (i) fresh graduates (ii) mid-career switchers (iii) hiring from abroad, it was shared that the Infocomm Media Development Authority (IMDA) would be (i) boosting the AI-readiness of existing Information and Digital Technologies (IDT) graduates through Singapore's Institutes of Higher Learning; and (ii) uplifting existing local tech professionals and catalysing industry efforts to train and hire AI practitioners.

37 The Committee was further informed that approximately 70% of the additional 10,000 AI practitioners would be Singaporeans and Permanent Residents, with a roughly equal split between fresh graduates from IDT programmes and mid-career switchers. Mid-career switchers consisted of those who had gone through either Government supported training or industry's own hiring and training programme.

38 Third, the Committee learned that the earlier approach towards governing AI – by striking a balance between enabling innovation and minimising risk – remained relevant. However, with Generative AI, there was a need to update governance frameworks to account for the new forms of dangers and harms that have emerged. Singapore had first released the Model AI Governance Framework in 2019 and updated it subsequently in 2020. As part of NAIS 2.0, in May 2024, IMDA launched the "Model Governance Framework for Generative AI", covering areas such as (i) data quality, (ii) security against new threats, (iii) transparency on content origins, and (iv) cooperation with AI Safety Institutes.

Learning Points from SEA-LION (Southeast Asian Languages in One Network)

39 The Committee noted that the National Multimodal Large Language Model Programme (NMLP) was launched in December 2023 as a research initiative in collaboration with AI Singapore and A*STAR. The Committee understood that it was primarily aimed at building up capabilities in large language model development, scoped to better understand the multi-lingual and multicultural context of Singapore and Southeast Asia (SEA).

40 The Committee was informed that the SEA-LION-7B-Instruct open-source model was released in April 2024. It was noted that promising results were found for local and regional languages such as Bahasa Melayu, Tamil, Thai, and Vietnamese. The models developed in NMLP had also garnered international and industry collaborations. The Committee understood that the Government was collaborating with Google on Project SEALD (Southeast Asian Languages in One Network Data) to train, fine-tune, and evaluate LLMs in SEA languages, and that the Government was also working with NCS and IBM to use Singapore's models in their client solutions. For instance, the model could be used in customer-service chatbots to capture nuances in SEA culture, and to summarise information in regional languages. The Committee noted that there were also ongoing regional collaborations with the Vidyasirimedhi Institute of Science and Technology (VISTEC) in Thailand to create Wangchan-LION, a fine-tuned version of SEA-LION for the Thai language and Indonesia's National Research and

Innovation Agency (BRIN), Collaboration for Research and Industrial Innovation of Artificial Intelligence (KORIKA) and the GDP Venture to develop SEA-LION for Bahasa Indonesia.

41 The Committee understood that for researchers and engineers the effort to build up capabilities in LLM development for SEA languages had helped build up their scientific capabilities, to train and fine-tune models that performed better in languages less trained or covered by major models. The Committee was informed that there were over 30 engineers from AI Singapore and A*STAR working on this programme.

42 On further query, the Committee was informed that the SEA-LION models were supported as part of the $70M National Multimodal LLM Programme to grow Singapore's capabilities in LLMs. The SEA-LION models are open source and have been made available to the public on popular AI model platforms such as HuggingFace and GitHub[1]. The Committee understood that there was no cost to host the models on these platforms and that anyone from the public could access and download the models. Updates were regularly shared via these platforms as well as channels such as SEA-LION's website (www.sea-lion.ai) and LinkedIn.

Evaluation and Selection Process for AIVP and AIMP

43 The Committee noted that the AI Visiting Professorship (AIVP) and AI Accelerated Masters Programme (AIMP) were new schemes that were launched in March 2024 to attract and nurture top minds in AI.

44 The Committee was informed that AIVP was administered by the National AI Group (NAIG) in the then Ministry of Communications and Information (MCI, which has since been renamed as the Ministry of Digital Development and Information from 8 July 2024). The Committee learned that interested applicants were required to submit a joint research proposal with a collaborator from any Singapore-based research entity such as universities or companies. These proposals were then evaluated by the AIVP Evaluation Panel, which comprised top international and local AI researchers identified by NAIG. The evaluation criteria included (a) novelty and quality (b) impact and (c) the applicant's commitment to driving Singapore's national AI ambitions. The Committee was informed that MCI is expected to appoint a pilot batch of five AI Visiting Professors in 2024 and further informed that nine proposals for the AIVP had been received as of 14 June 2024.

45 The Committee understood that the AIMP was administered by AI Singapore (AISG). Faculty members of designated faculties within Singapore-based Autonomous Universities could nominate existing undergraduate students in their penultimate year of study. These nominations were then evaluated by AISG, based on the following selection criteria: (a) academic excellence (b) AI research experience and (c) interest to contribute to novel and impactful AI research. Nominations for the first cycle were due on 11 June 2024.

Helping Singaporeans gain AI-proficiency

46 The Committee understood that there were 16 JTMs that identified job roles affected by various technologies, of which 13 specifically outlined the impact of AI. These JTMs were

[1] HuggingFace and GitHub are open and public platforms used by developers that provide access to AI models and training courses.

co-developed by Government agencies including WSG and the industry and they guided training partners, employers, unions, and workers on job redesign and training to equip workers with the relevant skills. For example, under the Information & Communications (I&C) JTM, IMDA appointed five training partners to offer job redesign and career conversion services to interested companies and had curated about 200 AI-related courses, which supported professionals in learning new skills such as prompt engineering and AI programming, and the rest of the I&C workforce with foundational AI skills.

47 It was further shared that the JTM partners were appointed to upskill existing tech professionals who were employed in three tracks, namely, Software Engineering, AI & Data, and Cloud & Mobility, as well as to support job redesign or career conversion programmes (CCP). The Committee learned that for upskilling, since the appointed JTM partners had started their training in 2023, across all JTM partners, approximately 4,700 training places had been taken up. For the CCP, the partners had helped about 190 people transit to new roles.

48 The Committee was informed that good progress was being made and that the numbers of training places were increasing as JTM partners continued to ramp up their efforts. It was shared that the modest take-up rate of the CCP was due to it being a more complex undertaking, for which the relevant agencies and partners had to work closely with companies to identify opportunities and enrol individuals into the programme. The Committee understood that participants had given qualitative feedback that the programmes were useful in equipping them with knowledge of tools and skills that they could readily apply at their workplaces.

49 The Committee noted that to equip the broader workforce to utilise AI effectively, the Government had been working with training partners to help workers upskill and reskill to adapt to changing job roles. For example, AISG had curated a series of free online courses under its Learn AI programme for the public on its website, to help learners build foundational AI literacy and proficiency. It was shared that SkillsFuture Singapore (SSG) also supported a range of courses that taught adult learners how to build machine learning models and use generative AI tools, for which Singaporeans could use their SkillsFuture Credit. The Committee was informed that IMDA would continue working with SSG to ensure there were suitable offerings to help Singaporeans become proficient in AI.

50 To support the digitalisation of the enterprises, the Committee understood that IMDA's SMEs Go Digital programme had launched 22 Industry Digital Plans, which served as a common reference for enterprises and were aligned with the Industry Transformation Maps (ITMs) for each sector. These sector-specific Industry Digital Plans provided enterprises with step-by-step guides on the right digital solutions to adopt, as well as a Digital Skills training roadmap for employees at different stages of their growth. The Committee further noted that employees could use the Digital Skills training roadmap to identify relevant SSG courses (e.g. in the areas of AI and data analytics) to take up, to ensure that they have the necessary skillsets to remain relevant in the workforce.

Measures of Success for NAIS 2.0 strategy

51 The Committee noted that NAIS 2.0 aimed to attain the twin goals of excellence and empowerment. It was shared that excellence would be determined by Singapore's competitiveness as an AI hub as measured by indicators such as international AI rankings. These rankings typically assessed various aspects, such as research output, innovation, talent pool, infrastructure, and adoption of AI technologies of different countries or regions. It was

further shared that empowerment would primarily be determined by the readiness of our enterprises and citizens to utilise AI with confidence, discernment, and trust, as well as the pervasiveness of AI adoption across Singapore's economy and society.

52 The Committee was informed that a combination of quantitative and qualitative success measures had been identified across the three NAIS 2.0 systems – activity drivers; people and communities; and infrastructure and environment – which the Government aimed to develop to achieve the twin goals of excellence and empowerment.

53 Activity drivers: The Committee understood that the Government would build deep technical expertise and drive value creation across the three key activity drivers – industry, Government, and research. For industry, this included the Government's aim to anchor over 100 new company-based AI Centres of Excellence (CoEs). The Committee noted that the Government would accelerate adoption of AI to improve Public Service productivity. Finally, for research, the Government aimed to develop research excellence in foundational research, applied research, and AI for science. It was noted that the measures of success in these areas were still being developed in tandem with the plans.

54 People and communities: It was noted that the Government would attract top AI talents from industry and academia to work in and with Singapore, as well as empower enterprises and workers to harness the potential of AI. For example, the Committee understood that the Government intended to boost the AI practitioner pool to 15,000 over the next three to five years, and that the Government also aimed to boost the vibrancy of the AI community in Singapore, which could be proxied by the number of active AI communities that engaged virtually or through virtual meetups. It was shared that the intention was to, over time, ensure that these AI communities collaborated within and across stakeholder groups such as companies, government agencies, and researchers.

55 Infrastructure and environment: The Committee noted that Government would ensure that Singapore had the necessary infrastructure and a trusted environment for AI innovation. On infrastructure, the Government would support Singapore's growing AI needs in AI innovation and capability building by actively crowding in compute resources through partnerships from chipmakers to Cloud Service Providers. On creating a trusted environment, it was shared that this would be achieved through introducing general guardrails, along with other mechanisms to manage specific risks like disinformation.

Observations and Recommendations

56 The Committee expressed its appreciation towards the detailed response provided by the Ministry of Finance on the enquiries related to the National Artificial Intelligence Strategy 2.0.

57 The Committee understood that since the launch of NAIS 1.0, AI had shifted from being an opportunity to a necessity, and technology had moved beyond standalone applications to requiring an entire ecosystem to support its adoption and innovation. The Committee was assured that such a shift was recognised by the Government, and a more comprehensive and systematic approach was undertaken for NAIS 2.0. The Committee noted that some improvements stemming from NAIS 1.0 included (i) extending the approach under NAIS 2.0 to include other key activity drivers (ii) tripling the number of AI practitioners in Singapore, from 5,000 to 15,000 in three to five years by boosting the AI-readiness of existing Information

and Digital Technologies graduates, and uplifting the existing local tech professionals and (iii) launching the "Model Governance Framework for Generative AI", as an update of governance frameworks to account for new forms of dangers and harms that have emerged. The Committee further encouraged MOF to continue practicing such prudence and to constantly improve, as NAIS 2.0 progressed.

58 The Committee noted that the Government intends to triple the number of AI practitioners over the next three to five years. Of the 10,000 additional AI practitioners that the Government intends to add, 70% would be Singaporean and Permanent Residents, with a roughly equal split between fresh graduates from IDT programmes and mid-career switchers. However, the Committee understood that the career conversion programme had so far helped 190 people transit to their new roles, which was significantly below the target of 5,000 mid-career switchers.

59 The Committee was assured that the National Multimodal Large Language Model Programme's goal to better understand the multi-lingual and multicultural context of Singapore and Southeast Asia was achieved through the SEA-LION-7B-Instruct open-source model that was released in April 2024, and promising results for local and regional languages such as Bahasa Melayu, Tamil, Thai and Vietnamese had been achieved.

60 The Committee was further encouraged by the extensive international, industry and regional collaborations with the various organisations. The Committee noted that support for the SEA-LION models was accounted for as part of the $70M National Multimodal Large Language Model Programme and supported the Government's efforts towards keeping the models open source and available to the public. The Committee was assured that this would further contribute towards growing Singapore's capabilities in training large language models on Southeast Asian Languages.

61 The Committee noted the detailed explanation from MOF of the evaluation and selection Process for the new AI Visiting Professorship (AIVP) and the AI Accelerated Master Programme (AIMP) respectively and urged MOF to periodically review the processes as we continue to grow the pipeline of Singaporean AI researchers.

62 For the full details on the questions posed by the Committee and responses received, please refer to paragraphs B1 to B26 of Section B.

FINANCING OF STATUTORY BOARDS

63 The Committee noted that the financing of the Statutory Boards (SBs) was last examined in 2017. Some recommendations made in 2017, contained in the Report of the Estimates Committee [Parl. 4 of 2017], included urging Ministries to monitor Government grants to their SBs, and for the Government to continue with its periodic internal reviews of the functions of the SBs.

64 Separately, it was stated in the Budget 2024 statement that the Government had assessed that its spending would be increasing to around 20% of GDP by 2030. With the view of ensuring that the financing of SBs would continue to remain sustainable in the future, the Committee enquired about SBs with the largest budgets and reserves, the SBs' contributions in lieu of tax to the Consolidated Fund in years when accounting surpluses are recorded, as well as measures in place for Ministries to review their SBs' surpluses and reserves.

MOF's Response to the Committee

Financing of SBs

65 The Committee noted that SBs were governed by specific legislation to perform specific public functions and given so would entail SBs having different operating needs and funding models. MOF assured the Committee that when assessing whether and how best to finance SBs' expenditures, the Government considered various factors such as the nature of their operations, their debt-equity ratio, and any surpluses they had accumulated. The Committee learnt that the Government might provide some SBs with grants and financing support to ensure the smooth and effective conduct of the SBs' respective functions, while structuring incentives to ensure operational efficiency and cost discipline.

66 Responding to a further query from the Committee, MOF shared that there as at September 2024, 20 out of the 49 SBs listed in the Schedule of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989 are self-financing. The Committee acknowledged the assurance from MOF that the funding and operating models of SBs would be subjected to review and could change over time.

67 It was also explained to the Committee on the different principles underpinning the reserve policies for SBs:

(a) The reserves of SBs listed in the Fifth Schedule of the Constitution are protected by the Reserves Protection Framework, i.e. reserves accumulated in previous terms of Government cannot be drawn on without approval from the President.

(b) Non-Fifth Schedule SBs typically maintain an accumulated surplus for capital investment and working capital needs, and SBs are expected to explore utilising their surpluses in the first instance before requesting for Government financing. MOF may also review surpluses of SBs from time to time, and direct SBs to return funds to the Consolidated Fund to prevent excessive build-up.

68 When the Committee followed up on when MOF last conducted a review on the surpluses of SBs, it was shared that the last review conducted by MOF across all SB surpluses was in 2022.

Monitoring of SBs' Expenditures and Surpluses

69 It was shared with the Committee that the three SBs with the largest Government expenditure based on the latest available financial statements were the Housing Development Board (HDB), Land Transport Authority (LTA), and National Environment Agency (NEA). The data on these SBs' expenditures for the past ten years was shared with the Committee in the tables below.

FY	HDB			
	Operating Expenditure* ($)	Development Expenditure^ ($)	% of Main Est.	% of Dev Est.
2022	6,456,553,489[2]	674,994,175	7.4	3.3
2021	2,696,552,841	435,621,823	3.2	2.7
2020	1,583,861,987	285,740,148	1.5	2.1
2019	1,464,184,048	455,857,984	2.4	2.7
2018	1,848,649,117	603,736,996	3.1	3.0
2017	2,203,123,584	604,170,336	3.8	3.4
2016	1,156,321,229	701,165,655	2.1	3.7
2015	460,538,011	732,530,739	0.9	3.8
2014	23,707,254[3]	816,682,766	0.1	5.8
2013	12,013,003	506,017,409	0.0	4.2

FY	LTA			
	Operating Expenditure* ($)	Development Expenditure^ ($)	% of Main Est.	% of Dev Est.
2022	1,514,000,000	6,176,935,000	1.7	30.3
2021	1,615,000,000	4,743,000,000	1.9	29.2
2020	1,559,000,000	4,091,000,000	1.5	30.5
2019	1,078,890,000	5,281,401,000	1.8	31.7
2018	1,077,422,000	8,681,913,000	1.8	42.8
2017	884,153,000	6,255,341,000	1.5	34.8
2016	427,546,000	8,156,451,000	0.8	43.1
2015	28,419,000	5,192,017,530	0.1	26.8
2014	-	4,193,015,738	0.0	30.0
2013	-	4,405,761,632	0.0	36.7

FY	NEA			
	Operating Expenditure* ($)	Development Expenditure^ ($)	% of Main Est.	% of Dev Est.
2022	1,117,300,681	21,722,636	1.3	0.1
2021	1,086,464,806	10,753,143	1.3	0.1
2020	844,551,306	8,318,179	0.8	0.1
2019	741,886,702	2,167,341	1.2	0.0
2018	861,500,797	1,705,684	1.5	0.0
2017	798,720,729	600,570,811	1.4	3.3
2016	807,319,214	43,864,100	1.5	0.2

[2] The increase in Operating Expenditure to HDB is due to the ramp up in BTO supply and market conditions (e.g. labour shortage, supply chain disruptions, rising interest rate environment, buoyant resale market) which have driven up construction and land costs.

[3] Net losses in FY2013/FY2014 were smaller because of (i) smaller per dwelling unit losses on average, as flats handed over in 2013/2014 were mostly awarded for construction in the early 2010s when development costs were lower, and before the Government moved decisively to increase subsidies for HDB flats (i.e. increase market discount for BTO flats between CY2011-CY2013, enhance housing grants for both BTO and resale flats) to maintain affordability; and (ii) there were surpluses from rental of industrial properties/industrial land (which were transferred to JTC in CY2018).

2015	781,892,751	-	1.5	0.0
2014	696,058,520	-	1.5	0.0
2013	588,015,377	-	1.4	0.0

** Operating Expenditure comprises Operating Grants from the Government, per respective SBs' financial statements.*
^ Development Expenditure comprises Capital/ Developments Grants from the Government and Share Capital issued, per respective SBs' financial statements.

70 Noting the increases in development expenditures for LTA in 2016 and 2018, and for NEA in 2017, the Committee further queried MOF on the reasons for such increases. In reply, MOF shared that the increase in development expenditure in 2016 for LTA was mainly due to a ramp-up in civil works for the Thomson East Coast Line, while the increase in 2018 was mainly due to a one-off funding injection for the Rapid Transit System (RTS) Link. For NEA, the increase in 2017 was mainly for the Integrated Waste Management Facility (IWMF).

71 The Committee also learnt that the three SBs with the largest accumulated surpluses as indicated in their latest available audited financial statements (FY 2022) were Jurong Town Corporation (JTC), Tote Board, and Central Provident Fund Board (CPFB). The data on these SBs' accumulated surpluses for the past ten years was shared with the Committee and the figures as at the end of FY 2022 are extracted below.

FY	JTC ($'000)	Tote Board ($'000)	CPFB ($'000)
2022	26,608,000	4,230,721	3,213,376

72 The Committee noted that the reserves of JTC and CPFB were protected by the Reserves Protection Framework as both are Fifth Schedule SBs[4]. It was shared with the Committee that a majority of JTC's reserves comprises land and buildings, which JTC managed as part of its mandate to develop and rejuvenate Singapore's industrial sector and estates to meet future industrial land and space requirements. As for CPFB, the Committee noted that CPFB's reserves belong to CPF members and are invested to generate income to fund CPFB's operations, such as strategic investments in IT infrastructure and applications to improve business agility and security.

73 As for Tote Board, the Committee was informed that its reserves served to sustain its capacity to provide grants that uplift vulnerable members of society. In particular, the reserves enabled Tote Board to offer longer-duration funding commitments with grant awards of up to five years, ensuring that Tote Board could continue to honour grant commitments during periods of economic uncertainty and/or greater social need, and supplement revenue with investment income.

74 On a further query from the Committee whether Tote Board's reserves were proportional to its objectives and cash flow for operations, it was shared that Tote Board's reserves allowed it to offer longer-duration funding commitments and provided sufficient buffer for the Board to honour funding obligations despite periods of uncertain economic outlook and potential fluctuations in its revenue streams. The Committee was informed that over the past ten years, Tote Board's grant commitments as a proportion of its reserves had increased given growing funding demands to strengthen our social compact. For example, the Tote Board Social Service Fund (TBSSF), which provides long-term community funding for vulnerable families, children and youths, the elderly, and persons with disabilities, has faced increasing grant commitments over the years.

[4] The Fifth Schedule SBs are Jurong Town Corporation, Housing Development Board, Monetary Authority of Singapore, and Central Provident Fund Board.

75 Replying to the Committee's query on the reasons that contributed to the increase in JTC's reserves from $14,719,000,000 in 2013 to $26,608,000,000 in 2022, the Committee learnt that JTC's reserves were accumulated through its net revenue from the leasing of its land and building assets, which had been around $1b to $1.2b each year on average from 2013 to 2022, and that the majority of JTC's reserves comprised land and buildings.

76 MOF further explained that SB surpluses were typically maintained for capital investment and working capital needs. Government financing might be provided when MOF assessed that the additional support would be necessary, after taking into consideration factors such as whether the request was intended to support an expansion in the SB's scope of functions and the cost recoverability of the project.

SBs' Contributions to the Consolidated Fund

77 SBs with accounting profits are required to make contributions to the Consolidated Fund in lieu of tax, to prevent over-accumulation of surpluses and encourage capital efficiency. Currently, this requirement applies to the 49 SBs[5] listed in the Schedule of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989. The Committee learnt that 44 of these 49 SBs[6] had made such contributions to the Consolidated Fund within the past ten years. The total amount of contributions from SBs in lieu of tax to the Consolidated Fund over the past ten years is shown below.

FY	**SB Contributions ($)**
2023	747,917,000
2022^	1,450,818,430
2021	2,855,349,812
2020	2,519,067,643
2019	1,798,083,821
2018	1,490,482,328
2017*	4,865,767,560
2016	775,431,129
2015	438,270,617
2014	515,874,118
Total	17,457,062,458

Source: Revenue and Expenditure Estimates, MOF

**The large increase in FY2017 can be attributed to a large contribution from MAS due to better-than-expected performance in global equity and bond markets in 2016. To reduce volatility, since FY2019 the SBC from MAS in a given FY has been calculated as the average of "Contribution to Consolidated Fund" reported in MAS' annual contributions for the preceding three years.*

^ The reductions in FY2022 and FY2023 can be attributed to a significantly lower contribution from MAS due to its losses recorded in the conduct of monetary policy to counter high inflation in 2021-2022.

[5] The number has varied slightly over the past ten years due to changes such as the addition of the Singapore Food Agency in 2019 when it was incorporated, and the removal of the Singapore Accountancy Commission in 2023 when it was merged with the Accounting and Corporate Regulatory Authority.

[6] The Central Provident Fund Board, Council for Estate Agencies, Housing and Development Board, Land Transport Authority and Singapore Nursing Board, have not made such contributions within the past ten years as these SBs have not been generating accounting surpluses from their operations.

78 When queried, it was shared with the Committee that MAS, JTC, PUB, GovTech, and Tote Board were the top five SBs that had made contributions to the Consolidated Fund in lieu of tax in the past ten years. On a further query from the Committee, it was shared that the total amount of contributions from SBs excluding MAS over the past ten years was $4,738,062,182, which worked out to be about 27% of the total amount of contributions, with the balance of about 73% contributed by MAS.

SBs' Dividends

79 MOF further shared that in addition to making contributions in lieu of tax to the Consolidated Fund, some SBs are also required to declare dividends annually when they have accounting surpluses. Such requirement served to encourage SBs to account for the cost of using Government funds in their operations. The Committee further noted that SBs were allowed to retain the remainder of any accounting surplus recorded in the FY as part of their accumulated surplus.

80 The Committee followed up by asking about the total amount of dividends from SBs over the past 10 years and for the SBs required to declare dividends annually in the past 10 years, how many had done so and how many had not, respectively. To this query, MOF shared that out of the 39 SBs required to declare annual dividends, 36 had contributed dividends within the past ten years. The total amount of dividends from SBs over the past ten years was $1,515,437,606.

Productivity Improvements by the SBs

81 When asked about productivity improvements made by SBs to bring down fees and charges, MOF shared that agencies across both Ministries and SBs, regularly reviewed their fees and charges, as agencies strived to improve productivity, streamline processes where possible, and pass on cost savings to end-consumers. The Committee took note of the explanation by MOF that as service standards expectations rose and as salaries formed a large part of the cost of agencies, not all agencies would be able to achieve a reduction in fees and charges across the board.

82 The Committee noted the efforts leading to reductions in fees and charges by SBs. For example, since July 2024, CAAS reviewed and adjusted its approach to regulating drone shows for greater efficiency given a pre-approved area, and this contributed to a reduction in compliance costs from more than $25,000 to only $500 for a drone show using 1,000 drones. In April 2024, SFA dispensed with licenses for stalls selling non-food and low-risk food items in NEA hawker centres and wet markets, given the lowered risks following upstream regulatory control of local farms and importers. This is expected to result in a total cost saving of $52,000 per annum for stall-owners. Separately, with the capability of the On-Board Unit for ERP2.0 to detect and process missed Electronic Road Pricing (ERP) payments without LTA having to do so back-end and send letters to notify motorists, LTA had announced that motorists would no longer need to pay the $10 administrative charge if they paid missed charges within a new five-day grace period, starting from 1 October 2024.

83 For the full details on the questions posed by the Committee and responses received, please refer to paragraphs C1 to C17 in Section C.

Observations and Recommendations

84 The Committee expressed their appreciation for the updates and details provided by MOF on this topic covering the financial details of SBs over the last decade. The Committee expressed appreciation for the updates and efforts undertaken by the Government to monitor the funding to SBs, their expenditures, as well as sharing on the details of the dividends made by SBs and their contributions to the Consolidated Fund in lieu of tax. The Committee took the view that such monitoring worked towards the prevention of over-accumulation of surpluses and encouraged capital efficiency.

85 In particular, the Committee noted that the Tote Board has an accumulated reserves of $4.2 billion as at end of FY 2022 which was the highest among the SBs that are not protected by the Reserves Protection Framework. The Committee acknowledged the explanation that these financial reserves allowed Tote Board to make extended funding commitments, with grants lasting up to five years. This approach ensured that Tote Board could maintain its grant obligations during economic downturns or times of increased social demand. Additionally, the reserves enabled Tote Board to augment its revenue with income from investments.

86 Taking the view that close to 90% of the 49 SBs listed in the Schedule of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989 had made contributions to the Consolidated Fund within the past ten years and about 92% of the 39 SBs required to declare annual dividends had done so within the past ten years, the Committee was assured that Ministries monitored grants to their SBs with the view to ensuring that the usage of the monies was cost-efficient while meeting the intended objectives. Nevertheless, the Committee urged the Government to continue its periodic internal reviews on the surpluses of SBs as well as to ensure that SBs' functions were right-placed, and resources were sited with the entity most appropriate to undertake the required function. The Committee further urged the Government to review whether there was scope to reduce the fees and charges paid by the public to each of the SBs in light of the surpluses contributed by such SBs to the Consolidated Fund.

87 The Committee noted the explanation from the Government on increases in development expenditures for LTA in 2016 and 2018, and for NEA in 2017, and the increase in JTC's reserves. The Committee also noted the three SBs with the largest accumulated surpluses as being JTC, Tote Board and CPFB. Noting that SBs were set up by specific legislation to perform specific public functions, which required SBs to adopt different operating needs and funding models, the Committee accepted the need for the different principles underpinning the reserve policies for SBs. Noting that the last review on the surpluses across all SB was in 2022, the Committee encouraged the Government to continue with such reviews at regular intervals and to include reviews on the reserve policies.

88 While being appreciative of the sharing on the productivity improvements made by SBs to bring down fees and charges, the Committee encouraged the Government to do more in terms of improving productivity, streamlining processes, and tapping on innovative technology where possible so as to pass on cost savings to the public.

SECTION A
Age Well SG

Committee's Queries to MOF:
What are the Good Health Outcomes that the Government is monitoring to determine the effectiveness of monies spent on Age Well SG; and

Whether Age Well SG has made an impact on health span, the period of life spent in good health, free from chronic diseases and the disabilities of ageing.

Reply from MOF on 14 June 2024:

A1. Singapore is undergoing a significant demographic shift, with projections indicating that by 2030, one in four residents will be aged 65 or older. Ageing has impact on chronic disease prevalence and general health (e.g. the prevalence of diabetes, hypertension, and high blood cholesterol increases with age).

A2. Health outcomes have improved in Singapore over the past few decades. Life expectancy at birth has increased from 75.6 years in 1990 to 85.7 years in 2021, and health-adjusted life expectancy has increased from 66.9 years in 1990 to 75.0 years in 2021.[7] With an estimated 100,000 seniors facing at least mild disability (requiring assistance with at least 1 activity of daily living) by 2030,[8] we need to do more to support our seniors to live longer in good health. Additionally, an increasing number of seniors are living alone (10.2% in 2020 vs 8.2% in 2010), and this may lead to social isolation which has significant impact on their vulnerability to health decline and related complications.[9]

A3. We need to go upstream to keep seniors healthy, and have launched Age Well SG to do this. Age Well SG, led by Ministry of Health (MOH), Ministry of National Development (MND) and Ministry of Transport (MOT), focuses on supporting our seniors to age well in the community by proactively caring for their needs and pre-empting social isolation. Under Age Well SG, we will anchor community health through encouraging active ageing and promoting senior volunteerism. We will also strengthen support for seniors with care needs and make improvements to the living environment.

A4. As the Committee has pointed out, Age Well SG was announced in Budget 2024. As such, its effects on seniors' health will only be discernible after some time. We will continually monitor and evaluate the progress (e.g. scaling up of Active Ageing Centres, outreach to seniors) of Age Well SG initiatives and its impact in the longer-term (e.g. extended healthy life years, improved quality of life). We will review the programmes for their cost-effectiveness in achieving our intended outcomes when we have sufficient data to do so.

[7] Average for males and females, taken from the Global Burden of Disease study 2021 (GBD 2021). Extracted on 20 May 2024.
[8] 40 Year Projections of Disability and Social Isolation of Older Adults for Long-Range Policy Planning in Singapore. Reuben Ng et al, Int. J. Environ. Res. Public Health 2020.
[9] Malhotra (2021), Loneliness and health expectancy among older adults: A longitudinal population-based study, Journal of American Geriatrics Society, 2021 (Duke-NUS Study funded by NMRC)

Committee's Queries to MOF: In view of the Government's plans to expand the network of AACs to 220, allowing eight in 10 seniors to have access to AAC activities near their homes, how is the Government prioritising resources on talent management and retention to support Age Well SG, as well as the locations of AACs in public and private estates.
Reply from MOF on 14 June 2024: A5. MOH has been working closely with the Agency for Integrated Care (AIC), MOH Holdings and Workforce Singapore (WSG) to help community care organisations (e.g. AACs, nursing homes and community hospitals) attract and retain manpower. Efforts include job redesign and ensuring the competitiveness of salaries in the sector (e.g. developing new roles covering multiple disciplines like nursing care and rehabilitation). Recently, MOH also published salary guidelines to better inform job seekers on the expected renumeration for community care roles, and engaged community care organisations to review their salaries to match the guidelines. MOH will also be extending the Award for Nurses' Grace, Excellence and Loyalty (ANGEL) retention scheme to eligible nurses in the participating community care organisations. A6. Other efforts include the implementation of the Tripartite Framework for the Prevention of Abuse and Harassment, which adopts a zero-tolerance policy against the abuse of healthcare workers. The framework provides clarity on what behaviour constitutes abuse, remedial actions that healthcare institutions can take against perpetrators (including guidelines on when to escalate such incidents to police), how employers can support the affected staff, and preventive measures that health care institutions can take. A7. Through the Silver Guardian programme, MOH also aims to build up volunteer pools to support AAC staff in organising active ageing programmes, and befriending and buddying socially isolated seniors. A8. On the location of AACs, MOH identifies and secures sites based on factors such as accessibility, proximity to other existing AACs, available space and suitability of infrastructure. MOH is expanding the network of AACs in both public and private housing estates and will leverage existing community assets (e.g. HDB void decks, Residents' Networks/Committees) in these areas to further expand outreach and conduct activities for the seniors. A9. Given binding land and manpower constraints, the repurposing of existing spaces improves efficiency of use of land without the need for extensive new construction, and minimises the strain on available construction workforce.

Committee's Queries to MOF:
whether the Government can share the timelines relating to the enhancement of Singapore's infrastructure, particularly in making housing flats, neighbourhoods and streets more senior-friendly through EASE 2.0, upgrading selected older precincts and the Ministry of Transport's Friendly Streets initiative, as well as the innovative elder-friendly schemes for dementia-friendly neighbourhoods.

Reply from MOF on 14 June 2024:

A10. The enhancements of housing flats, estates and streets to be more senior/elder-friendly will take place progressively, with more details on timelines provided in the table below.

<table>
<tr><th colspan="2">MND Age Well Initiatives</th><th>Timeline</th></tr>
<tr><td rowspan="2">In-flat</td><td>EASE 2.0</td><td>EASE 2.0 was launched on 1 Apr 2024 and progressively implemented over the next few years. More details on the timeline will be shared publicly when ready</td></tr>
<tr><td>Expansion of Wireless Alert Alarm System for seniors in public rental housing</td><td>The roll-out will start from Jan 2025 and will cover three rental blocks per month, starting with rental blocks that have a higher number of seniors e.g. Bukit Merah & Kallang Whampoa</td></tr>
<tr><td rowspan="3">Estate-level

(Dementia-friendly features are part of the possible scope of works.)</td><td>Senior-friendly enhancements as part of HDB's Neighbourhood Renewal Programme Phase 5</td><td>First batch of precincts will be selected by end-2024. More details on the timeline will be shared publicly when ready</td></tr>
<tr><td>Senior-friendly enhancements for over 20 older HDB precincts# with higher density of seniors in Ang Mo Kio, Bukit Merah, Queenstown, and Toa Payoh</td><td>The upgrading works will be progressively implemented from 2H 2024 to 2H 2028, starting with a pilot in Ang Mo Kio</td></tr>
<tr><td>Senior-friendly enhancements for selected private housing estates as part of the Estate Upgrading Programme</td><td>More details on the timeline will be shared publicly when ready</td></tr>
<tr><th colspan="3">MOT Age Well initiatives</th></tr>
<tr><td>Street-level</td><td>Friendly Streets</td><td>Five pilots* have begun in 2023. MOT intends to start engaging the community and relevant</td></tr>
</table>

		stakeholders on the location and implementation details of 10** more Friendly Streets in 2024. MOT/LTA will expand the Friendly Streets initiative to all HDB towns by 2030, including to private estates with high-activity areas and key amenities (e.g. markets, hawker centres) nearby
	Enhancements to first-mile / last-mile connectivity	MOT/LTA plans to enhance commuter infrastructure islandwide over the next decade. This will include building more covered linkways, upgrading more bus stops with senior-friendly features, and retrofitting more pedestrian overhead bridges with lifts

 # NRP-ineligible as they underwent upgrading in the past.
** Pilots are in Ang Mo Kio, Bukit Batok West, Tampines, Toa Payoh, and West Coast.*
*** This comprises Bedok, Buangkok, Bukit Panjang, Choa Chu Kang, Holland/Buona Vista, Jurong East, Pek Kio, Punggol, Sembawang, and Tiong Bahru/Havelock.*

Committee's Further Queries to MOF:
in view of the five pilots on the Friendly Streets initiative mentioned in paragraph A10 that began in 2023 (i) whether any feedback has been received from the first five pilots; and (ii) if so, what has the feedback been.

Reply from MOF on 16 September 2024:

A11. LTA engaged residents in the five pilot towns through surveys before the commencement of construction for each pilot. Out of the ~400 respondents, nine in ten felt that Friendly Streets features would further improve safety and barrier-free accessibility in their neighbourhoods.

A12. LTA plans to engage residents again via surveys upon completion of the pilots by end-2025 to obtain public feedback on the completed works. The learning points gleaned from the pilots will be applied in the future expansion efforts of Friendly Streets.

SECTION B
National Artificial Intelligence Strategy 2.0

Committee's Queries to MOF:
Whether the learning points or experiences from the first National AI Strategy that was launched in 2019, if any, are applied to NAIS 2.0

Reply from MOF on 14 June 2024:

B1. When NAIS 1.0 was launched, machine learning and deep learning were coming to the fore. Recognising the potential for AI to transform the economy and society, we took steps to build foundational capabilities and enablers. This primarily involved a targeted approach, where we identified Government-led national AI projects in key sectors (e.g. education, healthcare) to serve as exemplars of AI's transformative power and invested in enablers such as talent, data, and governance. These early investments formed a strong foundation for us to pursue NAIS 2.0 in December 2023.

B2. Since the launch of NAIS 1.0, AI has shifted from being an opportunity to a necessity, and the technology has moved beyond standalone applications to requiring an entire ecosystem to be in place to support its widespread adoption and innovation. These shifts necessitated a more comprehensive and systematic approach under NAIS 2.0, building on our investments and learnings from NAIS 1.0.

B3. First, we learnt that the approach under NAIS 1.0 of activating Government demand alone is insufficient, given the increasing pervasiveness of AI across the economy. We thus extended our approach under NAIS 2.0 to include other key activity drivers (viz. industry and research) and are orchestrating interactions amongst these key activity drivers to tackle meaningful use cases at scale.

B4. Second, we found that investments in key enablers (e.g. talent, compute, data), created strong foundations for us to compete in AI. We need to press on with these investments, especially as global competition for these resources intensifies. For example, given the scarcity of AI talent globally, we intend to triple the number of AI practitioners in Singapore, from 5,000 to 15,000 in 3 years. Generative AI also requires high-performance compute (e.g. Graphics Processing Units). Building on Singapore's data connectivity and reputation as a leading data centre hub, we are well-placed to work with industry partners to bring in such resources to support the development and deployment of Generative AI in Singapore.

B5. Third, we learnt that our earlier approach towards governing AI – by striking a balance between enabling innovation and minimising risk – remains relevant. However, with Generative AI, we need to update our governance frameworks to account for the new forms of dangers and harms that have emerged. Singapore first released the Model AI Governance Framework in 2019 and updated it subsequently in 2020. As part of NAIS 2.0, in May 2024, Infocomm Media Development Authority (IMDA) launched the "Model Governance

Framework for Generative AI", covering areas such as (i) data quality, (ii) security against new threats, (iii) transparency on content origins, and (iv) cooperation with AI Safety Institutes.
Committee's Further Queries to MOF: with reference to paragraph B4, regarding the intent to triple the number of AI practitioners in Singapore from 5,000 to 15,000 in three years, what are the plans in place to achieve this, specifically, what proportion of AI practitioners are expected to be from (i) fresh graduates (ii) mid-career switchers (iii) hiring from abroad;
Reply from MOF on 16 September 2024: B6. Our refreshed National AI Strategy 2.0 outlines the actions that Singapore will undertake to support our ambitions over the next three to five years. We had previously indicated on 14 June 2024 that we intend to triple our AI practitioners in three years. We wish to update that in line with our NAIS 2.0, the target would be to triple the number of AI practitioners in three to five years. To do so, IMDA will (i) boost the AI-readiness of existing Information and Digital Technologies (IDT) graduates through our Institutes of Higher Learning; and (ii) uplift existing local tech professionals and catalyse industry efforts to train and hire AI practitioners. B7. We estimate that approximately 70% of the additional 10,000 AI practitioners to be Singaporeans and Permanent Residents, with a roughly equal split between fresh graduates from our IDT programmes and mid-career switchers. Mid-career switchers will consist of those who have gone through either Government supported training or industry's own hiring and training programme.
Committee's Queries to MOF: Whether the Government can share the learnings and findings from the investment in building SEA-LION (Southeast Asian Languages in One Network) as a means to grow Singapore's capabilities and test the hypothesis that there is value in training large language models (LLMs) on Southeast Asian languages
Reply from MOF on 14 June 2024: B8. The National Multimodal Large Language Model Programme (NMLP) was launched in December 2023 as a research initiative in collaboration with AI Singapore and A*STAR. It is primarily aimed at building up capabilities in large language model development, scoped to better understand the multi-lingual and multicultural context of Singapore and Southeast Asia (SEA). B9. The recent SEA-LION-7B-Instruct open-source model was released in April 2024. We found promising results for local and regional languages such as Bahasa Melayu, Tamil, Thai, and Vietnamese. The models developed in NMLP have also garnered international and industry collaborations. We are collaborating with Google on Project SEALD (Southeast

Asian Languages in One Network Data) to train, fine-tune, and evaluate LLMs in SEA languages. We are also working with NCS and IBM to use our models in their client solutions. For instance, the model can be used in customer-service chatbots to capture nuances in SEA culture, and to summarise information in regional languages. We also have ongoing regional collaborations with the Vidyasirimedhi Institute of Science and Technology (VISTEC) in Thailand to create Wangchan-LION, a fine-tuned version of SEA-LION for the Thai language and Indonesia's National Research and Innovation Agency (BRIN), Collaboration for Research and Industrial Innovation of Artificial Intelligence (KORIKA) and the GDP Venture to develop SEA-LION for Bahasa Indonesia. B10. For our researchers and engineers, this effort has helped build up their scientific capabilities (e.g. the science in ensuring models are attuned with regional contexts), to train and fine-tune models that perform better in languages less trained or covered by major models. Thus far, we have over 30 engineers from AI Singapore and A*STAR working on this programme.
Committee's Further Queries to MOF: how much resources have been allocated to make SEA-LION-7B-Instruct available for public use
Reply from MOF on 16 September 2024: B11. The SEA-LION models are currently supported as part of the $70M National Multimodal Large Language Model (LLM) Programme to grow Singapore's capabilities in LLMs. The SEA-LION models are open source and have been made available to the public on popular AI model platforms such as HuggingFace and GitHub[10]. There is no cost to host our models on these platforms. Anyone from the public can access and download the models. Updates are regularly shared via these platforms as well as channels such as SEA-LION's website (www.sea-lion.ai) and LinkedIn.
Committee's Queries to MOF: what will be the evaluation and selection process for the new AI Visiting Professorship and the new AI Accelerated Master Programme to grow the pipeline of Singaporean AI researchers, and how many professors have been selected in the past five years
Reply from MOF on 14 June 2024: B12. The AI Visiting Professorship (AIVP) and AI Accelerated Masters Programme (AIMP) are new schemes that were launched in March 2024 to attract and nurture top minds in AI.

[10] HuggingFace and GitHub are open and public platforms used by developers that provide access to AI models and training courses.

B13. The AIVP is administered by the National AI Group (NAIG) in the Ministry of Communications and Information (MCI, to be renamed to Ministry of Digital Development and Information from 8 July 2024). Interested applicants are required to submit a joint research proposal with a collaborator from any Singapore-based research entity (e.g. universities, companies). These proposals are then evaluated by the AIVP Evaluation Panel, which comprises top international and local AI researchers identified by NAIG. The evaluation criteria include (a) novelty and quality, (b) impact, and (c) the applicant's commitment to driving Singapore's national AI ambitions. MCI has received nine proposals, and expects to appoint a pilot batch of five AI Visiting Professors in 2024. B14. The AIMP is administered by AI Singapore (AISG). Faculty members of designated faculties within Singapore-based Autonomous Universities can nominate existing undergraduate students in their penultimate year of study. These nominations are then evaluated by AISG, based on the following selection criteria: (a) academic excellence, (b) AI research experience, and (c) interest to contribute to novel and impactful AI research. Nominations for the first cycle were due on 11 June 2024.
Committee's Queries to MOF: how will the Government work with training partners, employers including SMEs, unions, and workers, through the Jobs Transformation Maps (JTMs) to help Singaporeans gain AI-proficiency and stay relevant in the workforce
Reply from MOF on 14 June 2024: B15. As noted at MCI's Committee of Supply 2024, there are 16 JTMs that identify job roles affected by various technologies, of which 13 specifically outline the impact of AI. These JTMs are co-developed by Government agencies including WSG, and the industry. They guide training partners, employers, unions, and workers on job redesign and training to equip workers with the relevant skills. For example, under the Information & Communications (I&C) JTM, IMDA appointed five training partners to offer job redesign and career conversion services to interested companies and has curated about 200 AI-related courses, which support professionals in learning new skills such as prompt engineering and AI programming, and the rest of the I&C workforce with foundational AI skills. B16. To equip the broader workforce to utilise AI effectively, the Government has also been working with training partners to help workers upskill and reskill to adapt to changing job roles. For example, AISG has curated a series of free online courses under its Learn AI programme for the public on its website, to help learners build foundational AI literacy and proficiency. SkillsFuture Singaore (SSG) also supports a range of courses that teach adult learners how to build machine learning models and use Generative AI tools, for which Singaporeans can use their SkillsFuture Credit. IMDA will continue working with SSG to ensure there are suitable offerings to help Singaporeans become proficient in AI.

B17. To support the digitalisation of our enterprises, IMDA's SMEs Go Digital programme has launched 22 Industry Digital Plans, which serve as a common reference for enterprises and are aligned with the Industry Transformation Maps (ITMs) for each sector. These sector-specific Industry Digital Plans provide enterprises with step-by-step guides on the right digital solutions to adopt, as well as a Digital Skills training roadmap for employees at different stages of their growth. Employees can use the Digital Skills training roadmap to identify relevant SSG courses (e.g. in the areas of AI and data analytics) to take up, to ensure that they have the necessary skillsets to remain relevant in the workforce.

Committee's Further Queries to MOF:
noting in paragraph B12 that IMDA has appointed five training partners to offer job redesign and career conversion services and curated about 200 AI-related courses (i) what has been the take-up rate of such job redesign and career conversion services; (ii) how many adult learners have benefitted from such services; and (iii) whether IMDA, AISG, and SSG can share more about how successful such job redesign and career conversion services have been.

Reply from MOF on 16 September 2024:

B18. The Jobs Transformation Map (JTM) partners were appointed to upskill existing tech professionals (i.e. those who are currently in-employment) in three tracks, namely, Software Engineering, AI & Data, and Cloud & Mobility, as well as to support job redesign / career conversion programmes (CCP).

B19. For upskilling, since the appointed JTM partners started their training in 2023, across all JTM partners, ~4,700 training places have been taken up. For the CCP, the partners have helped about 190 people transit to new roles.

B20. We are making good progress and expect the numbers to increase as our JTM partners continue to ramp up their efforts. While the CCP has a modest take-up rate at the moment, this is because CCP is a more complex undertaking, for which the relevant agencies and partners have to work closely with companies to identify CCP opportunities and enrol individuals into the programme.

B21. Participants have given qualitative feedback that the programmes were useful in equipping them with knowledge of tools and skills that they can readily apply at their workplaces.

Committee's Queries to MOF: what are the measures of success for the various courses of action as listed in the NAIS 2.0 strategy which include efforts directed toward the three Systems working through the 10 Enablers

Reply from MOF on 14 June 2024:

B22. NAIS 2.0 aims to attain the twin goals of excellence and empowerment. Excellence will be determined by our competitiveness as an AI hub as measured by indicators such as international AI rankings. These rankings typically assess various aspects, such as research output, innovation, talent pool, infrastructure, and adoption of AI technologies of different countries or regions. Empowerment will primarily be determined by the readiness of our enterprises and citizens to utilise AI with confidence, discernment, and trust, as well as the pervasiveness of AI adoption across our economy and society.

B23. We have also identified a combination of quantitative and qualitative success measures across the three NAIS 2.0 systems – activity drivers; people and communities; and infrastructure and environment – which we aim to develop to achieve these goals.

B24. <u>Activity drivers</u>: We will build deep technical expertise and drive value creation across the three key activity drivers – industry, Government, and research. For industry, this includes our aim to anchor over 100 new company-based AI Centres of Excellence (CoEs). For Government, we will accelerate adoption of AI to improve Public Service productivity. Finally, for research, we aim to develop research excellence in foundational research, applied research, and AI for science. The measures of success in these areas are still being developed in tandem with the plans.

B25. <u>People and communities</u>: We will attract top AI talents from industry and academia to work in and with Singapore, as well as empower our enterprises and workers to harness the potential of AI. For example, we aim to boost the AI practitioner pool to 15,000 over the next three years. We also aim to boost the vibrancy of the AI community in Singapore, which could be proxied by the number of active AI communities that engage virtually or through virtual meetups. Over time, the intention is to ensure that these AI communities collaborates within and across stakeholder groups (e.g. companies, government agencies, researchers).

B26. <u>Infrastructure and environment:</u> We will ensure that Singapore has the necessary infrastructure and a trusted environment for AI innovation. On infrastructure, we will support our growing AI needs (AI innovation and capability building) by actively crowding in compute resources through partnerships from chipmakers to Cloud Service Providers. On creating a trusted environment, this will be achieved through introducing general guardrails, along with other mechanisms to manage specific risks (e.g. disinformation).

SECTION C
Financing of Statutory Boards

Committee's Queries to MOF:
For the three Statutory Boards (SBs) with the largest budgets and the three SBs with the largest reserves, what are the budgets and reserves of each of these SBs respectively for the past ten years, and for the past ten years, what amount and percentage of the Main and Development Estimates are grants to each of these SBs respectively.

Reply from MOF on 14 June 2024:

C1 Statutory Boards (SBs) are governed by specific legislation and perform specific public functions, and have different operating needs and funding models.

C2 The Government may provide some SBs with grants and financing support to ensure the smooth and effective conduct of the SBs' respective functions, while structuring incentives to ensure operational efficiency and cost discipline.

(a) SBs recover their costs (including cost of capital) incurred by charging fees on their services, in line with the "user pays" principle. To keep the services affordable, SBs strive to improve business processes and operational efficiency to keep costs of providing these services low. Where there are policy reasons to not fully recover costs, the Government provides grants that are appropriately sized and scoped to support such SB operations.

(b) When assessing whether and how best to finance SBs' expenditures, the Government considers various factors such as the nature of their operations, their debt-equity ratio, and any surpluses they have accumulated.

C3 The three SBs with the largest Government expenditure based on the latest available financial statements are: Housing Development Board (HDB), Land Transport Authority (LTA), and National Environment Agency (NEA). The data on these SBs' expenditures for the past ten years is shown below.

FY	HDB			
	Operating Expenditure* ($)	Development Expenditure^ ($)	% of Main Est.	% of Dev Est.
2022	6,456,553,489[11]	674,994,175	7.4	3.3
2021	2,696,552,841	435,621,823	3.2	2.7
2020	1,583,861,987	285,740,148	1.5	2.1
2019	1,464,184,048	455,857,984	2.4	2.7
2018	1,848,649,117	603,736,996	3.1	3.0
2017	2,203,123,584	604,170,336	3.8	3.4
2016	1,156,321,229	701,165,655	2.1	3.7
2015	460,538,011	732,530,739	0.9	3.8

[11] The increase in Operating Expenditure to HDB is due to the ramp up in BTO supply and market conditions (e.g. labour shortage, supply chain disruptions, rising interest rate environment, buoyant resale market) which have driven up construction and land costs.

2014	23,707,254[12]	816,682,766	0.1	5.8
2013	12,013,003	506,017,409	0.0	4.2

FY	LTA			
	Operating Expenditure* ($)	Development Expenditure^ ($)	% of Main Est.	% of Dev Est.
2022	1,514,000,000	6,176,935,000	1.7	30.3
2021	1,615,000,000	4,743,000,000	1.9	29.2
2020	1,559,000,000	4,091,000,000	1.5	30.5
2019	1,078,890,000	5,281,401,000	1.8	31.7
2018	1,077,422,000	8,681,913,000	1.8	42.8
2017	884,153,000	6,255,341,000	1.5	34.8
2016	427,546,000	8,156,451,000	0.8	43.1
2015	28,419,000	5,192,017,530	0.1	26.8
2014	-	4,193,015,738	0.0	30.0
2013	-	4,405,761,632	0.0	36.7

FY	NEA			
	Operating Expenditure* ($)	Development Expenditure^ ($)	% of Main Est.	% of Dev Est.
2022	1,117,300,681	21,722,636	1.3	0.1
2021	1,086,464,806	10,753,143	1.3	0.1
2020	844,551,306	8,318,179	0.8	0.1
2019	741,886,702	2,167,341	1.2	0.0
2018	861,500,797	1,705,684	1.5	0.0
2017	798,720,729	600,570,811	1.4	3.3
2016	807,319,214	43,864,100	1.5	0.2
2015	781,892,751	-	1.5	0.0
2014	696,058,520	-	1.5	0.0
2013	588,015,377	-	1.4	0.0

** Operating Expenditure comprises Operating Grants from the Government, per respective SBs' financial statements.*

^ Development Expenditure comprises Capital/ Developments Grants from the Government and Share Capital issued, per respective SBs' financial statements.

Note: Given the changes in the presentation of respective SBs' financial statements over the ten-year period, the financial statements in some years do not break down Government Grants into Operating Grants and Capital/Development Grants. For such instances, Operating Expenditure and Development Expenditure have been indicated by cross-referencing the total Government Grants reported in the respective SB's financial statements against the SB's internal records.

C4 The three SBs with the largest accumulated surpluses indicated in their latest available audited financial statements (FY2022) are: Jurong Town Corporation (JTC), Tote

[12] Net losses in FY2013/FY2014 were smaller because of (i) smaller per dwelling unit losses on average, as flats handed over in 2013/2014 were mostly awarded for construction in the early 2010s when development costs were lower, and before the Government moved decisively to increase subsidies for HDB flats (i.e. increase market discount for BTO flats between CY2011-CY2013, enhance housing grants for both BTO and resale flats) to maintain affordability; and (ii) there were surpluses from rental of industrial properties/industrial land (which were transferred to JTC in CY2018).

Board, and Central Provident Fund Board (CPFB). Their accumulated surpluses as at the end of each Financial Year for the past ten years are shown below.

(a) As Fifth Schedule SBs, the reserves of JTC and CPFB are protected by the Reserves Protection Framework. A majority of JTC's reserves comprises land and buildings, which JTC manages as part of its mandate to develop and rejuvenate Singapore's industrial sector and estates to meet future industrial land and space requirements. CPFB's reserves belong to CPF members and are invested to generate income to fund CPFB's operations, such as strategic investments in IT infrastructure and applications to improve business agility and security.

(b) Tote Board's reserves sustain its capacity to provide grants that uplift vulnerable members of society. In particular, they enable Tote Board to offer longer-duration funding commitments with grant awards of up to five years, ensure Tote Board can continue to honour grant commitments during periods of economic uncertainty and/or greater social need, and supplement revenue with investment income.

FY	JTC ($'000)	Tote Board ($'000)	CPFB ($'000)
2022	26,608,000	4,230,721	3,213,376
2021	25,385,000	4,750,534	3,232,452
2020	24,385,000	4,750,574	3,208,771
2019	23,555,000	4,322,961	3,150,225
2018	22,288,000	4,433,571	3,103,028
2017	21,039,000	4,377,882	3,053,092
2016	20,098,000	4,234,973	2,978,119
2015	19,040,000	3,893,858	2,377,668
2014	15,909,000	4,257,716	2,310,795
2013	14,719,000	4,118,504	2,238,862

Source: Financial Statements of JTC, Tote Board, CPFB

Committee's Further Queries to MOF:
For the reasons resulting in the increase in development expenditure for LTA in 2016 and 2018, and for NEA in 2017.

Reply from MOF on 16 September 2024:

C5 For LTA, the increase in development expenditure in 2016 was mainly due to a ramp-up in civil works for the Thomson East Coast Line, while the increase in 2018 was mainly due to a one-off funding injection for the Rapid Transit System (RTS) Link. For NEA, the increase in 2017 was mainly for the Integrated Waste Management Facility (IWMF).

Committee's Further Queries to MOF:
Whether the Tote Board's reserves are proportional to its objectives and cash flow for operations.

Reply from MOF on 16 September 2024:

C6 Tote Board's reserves allow it to offer longer-duration funding commitments and provide sufficient buffer for Tote Board to honour funding obligations despite periods of uncertain economic outlook and potential fluctuations in its revenue streams. Over the past ten years, its grant commitments as a proportion of its reserves have increased given growing

funding demands to strengthen our social compact. For example, the Tote Board Social Service Fund (TBSSF), which provides long-term community funding for vulnerable families, children and youths, the elderly, and persons with disabilities, has faced increasing grant commitments over the years.
Committee's Further Queries to MOF: For the reasons that contributed to the increase in JTC's reserves from $14,719,000,000 in 2013 to $26,608,000,000 in 2022.
Reply from MOF on 16 September 2024: C7 JTC's reserves were accumulated through its net revenue from the leasing of its land and building assets, which has been around $1b to $1.2b each year on average from 2013 to 2022. The majority of JTC's reserves comprises land and buildings.
Committee's Queries to MOF: How much funds have the SBs been directed to return to the Consolidated Fund to prevent excess build-up in the past ten years, and how many SBs have been required to make contributions in lieu of tax to the Consolidated Fund in years when accounting surpluses are recorded in the past ten years.
Reply from MOF on 14 June 2024: C8 SBs with accounting profits are required to make contributions to the Consolidated Fund in lieu of tax, to prevent over-accumulation of surpluses and encourage capital efficiency. Currently, this requirement applies to the 49 SBs[13] listed in the Schedule of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989. 44 of these 49 SBs[14] have made such contributions to the Consolidated Fund within the past ten years. The total amount of contributions from SBs in lieu of tax to the Consolidated Fund over the past ten years is shown below.

FY	SB Contributions ($)
2023	747,917,000
2022^	1,450,818,430
2021	2,855,349,812
2020	2,519,067,643
2019	1,798,083,821
2018	1,490,482,328
2017*	4,865,767,560
2016	775,431,129
2015	438,270,617
2014	515,874,118

Source: Revenue and Expenditure Estimates, MOF

[13] The number has varied slightly over the past ten years due to changes such as the addition of the Singapore Food Agency in 2019 when it was incorporated, and the removal of the Singapore Accountancy Commission in 2023 when it was merged with the Accounting and Corporate Regulatory Authority.

[14] The Central Provident Fund Board, Council for Estate Agencies, Housing and Development Board, Land Transport Authority and Singapore Nursing Board, have not made such contributions within the past ten years as these SBs have not been generating accounting surpluses from their operations.

**The large increase in FY2017 can be attributed to a large contribution from MAS due to better-than-expected performance in global equity and bond markets in 2016. To reduce volatility, since FY2019 the SBC from MAS in a given FY has been calculated as the average of "Contribution to Consolidated Fund" reported in MAS' annual contributions for the preceding three years.*

^ The reductions in FY2022 and FY2023 can be attributed to a significantly lower contribution from MAS due to its losses recorded in the conduct of monetary policy to counter high inflation in 2021-2022.

Committee's Further Queries to MOF:
With reference to paragraph C8, whether a breakdown of contributions from each Statutory Board in lieu of tax to the Consolidated Fund can be provided for FY 2023.

Reply from MOF on 16 September 2024:

C9 In FY2023, the total amount of contributions from SBs was $747.9m. The breakdown of contributions from the main contributing SBs (i.e. contribution of over $1m each) in FY2023 are in the table below.[15] SBs' annual contributions are also available in their published financial statements.

S/N	Statutory Boards	FY2023 Contribution ($) (for FY2022 surplus)
1	Monetary Authority of Singapore	356,666,666
2	JTC Corporation	250,000,000
3	Government Technology Agency	38,709,000
4	PUB, Singapore's National Water Agency	33,576,000
5	Inland Revenue Authority of Singapore	19,834,000
6	Workforce Singapore Agency	7,935,009
7	National Parks Board	7,609,328
8	Building and Construction Authority	4,279,000
9	Accounting and Corporate Regulatory Authority	3,715,000
10	Health Sciences Authority	3,675,710
11	Energy Market Authority	3,111,000
12	SkillsFuture Singapore	3,095,000
13	National Environment Agency	2,402,284
14	Health Promotion Board	2,289,000
15	Infocommunications Media Development Authority	2,239,000
16	Singapore Land Authority	1,739,769
17	Home Team Science and Technology Agency	1,468,000
18	Civil Service College	1,350,316
19	Singapore Academy of Law	1,320,431
20	Sentosa Development Corporation	1,261,000

[15] The eight SBs that contributed in FY2023 but less than $1m each are: Agency for Science, Technology and Research (A*STAR), Competition and Consumer Commission of Singapore (CCCS), Defence Science and Technology Agency (DSTA), Land Surveyors Board (LSB), Public Transport Council (PTC), Singapore Accountancy Commission (SAC), Singapore Food Agency (SFA), and Singapore Pharmacy Council (SPC).

Committee's Further Queries to MOF: The top five SBs that have made contributions to the Consolidated Fund in lieu of tax in the past ten years.
Reply from MOF on 16 September 2024: C10 The top five SBs that have made contributions to the Consolidated Fund in lieu of tax in the past ten years are MAS, JTC, PUB, GovTech, and Tote Board.
Committee's Further Queries to MOF: The total amount of contributions from SBs, excluding MAS, in lieu of tax to the Consolidated Fund over the past ten years.
Reply from MOF on 16 September 2024: C11 The total amount of contributions from SBs (excluding MAS) over the past ten years is $4,738,062,182.
Committee's Queries to MOF: Whether there are the measures in place for Ministries to review their SBs' surpluses and reserves, and what are the reserve policies for each of these SBs.
Reply from MOF on 14 June 2024: C12 In addition to making contributions in lieu of tax to the Consolidated Fund, some SBs are also required to declare dividends annually when they have accounting surpluses. This is to encourage SBs to account for the cost of using Government funds in their operations. SBs are allowed to retain the remainder of any accounting surplus recorded in the FY as part of their accumulated surplus. (a) The reserves of SBs listed in the Fifth Schedule of the Constitution[16] are protected by the Reserves Protection Framework, i.e. reserves accumulated in previous terms of Government cannot be drawn on without approval from the President. (b) Non-Fifth Schedule SBs typically maintain an accumulated surplus for capital investment and working capital needs, and SBs are expected to explore utilising their surpluses in the first instance before requesting for Government financing. MOF may also review surpluses of SBs from time to time, and direct SBs to return funds to the Consolidated Fund to prevent excessive build-up.

[16] The Fifth Schedule SBs are Jurong Town Corporation, Housing Development Board, Monetary Authority of Singapore, and Central Provident Fund Board.

Committee's Further Queries to MOF: Noting paragraph C12, what is the total amount of dividends from SBs over the past 10 years and for the SBs required to declare dividends annually in the past 10 years, how many have done so and how many have not, respectively.
Reply from MOF on 16 September 2024: C13 Out of the 39 SBs[17] required to declare annual dividends, 36 have contributed dividends within the past ten years.[18] The total amount of dividends from SBs over the past ten years is $1,515,437,606.
Committee's Further Queries to MOF: In relation to paragraph C12, whether any SB has been granted Government financing before their surpluses have been utilised, and if so, which SBs are these and why was Government financing granted. In view of paragraph C12(b), when was the last review conducted by MOF on the surpluses of SBs.
Reply from MOF on 16 September 2024: C14 SB surpluses are typically maintained for capital investment and working capital needs. Government financing may be provided if MOF assesses that the additional support is necessary, after taking into consideration factors such as whether the request is intended to support an expansion in the SB's scope of functions and the cost recoverability of the project. C15 MOF regularly reviews the surpluses of SBs. The last review conducted by MOF across all SB surpluses was in 2022.
Committee's Further Queries to MOF: For the number of self-financing SBs.
Reply from MOF on 16 September 2024: C16 There are currently 20 self-financing SBs. SBs' funding and operating models are subject to review and may change over time.

[17] Some categories of SBs are exempted from the requirement to declare annual dividends, such as educational institutions, religious SBs, and new SBs established for not more than two years.

[18] The Council of Estate Agencies, Singapore Food Agency and PUB have declared nil dividends within the past ten years as SBs are only required to pay dividends in years where an accounting surplus is recorded, and are allowed to offset their dividends payable based on the amount reinvested into their capital needs.

Committee's Further Queries to MOF: Whether any SB fees and charges have decreased due to productivity improvements.
Reply from MOF on 16 September 2024: C17 Agencies, across both Ministries and SBs, regularly review their fees and charges. They strive to improve productivity, streamline processes where possible, and pass on cost savings to end-consumers. For example, since July 2024, CAAS reviewed and adjusted its approach to regulating drone shows for greater efficiency given a pre-approved area, and this contributed to a reduction in compliance costs from more than $25,000 to only $500 for a drone show using 1,000 drones. In April 2024, SFA dispensed with licenses for stalls selling non-food and low-risk food items in NEA hawker centres and wet markets, given the lowered risks following upstream regulatory control of local farms and importers. This will lead to a total cost saving of $52,000 per annum for stall-owners. Separately, with the capability of the On-Board Unit for ERP2.0 to detect and process missed Electronic Road Pricing (ERP) payments without LTA having to do so back-end and send letters to notify motorists, LTA has announced that motorists will no longer need to pay the $10 administrative charge (which is to cover for LTA's processing costs) if they pay missed charges within a new five-day grace period, starting from 1 October 2024. However, as service standards expectations rise and as salaries form a large part of the cost of agencies, not all agencies will be able to achieve a reduction in fees and charges across the board.

APPENDIX

MINUTES OF PROCEEDINGS

14th Meeting

Thursday, 25 April 2024

10.00 am

PRESENT

Mr Ang Wei Neng *(in the Chair)*
Mr Lim Biow Chuan
Assoc Prof Jamus Jerome Lim
Miss Rachel Ong
Mr Vikram Nair
Mr Yip Hon Weng
Mr Zhulkarnain Abdul Rahim

ABSENT

Mr Sitoh Yih Pin

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1. The Committee deliberated.

Adjourned to a date to be fixed.

15th Meeting

Thursday, 15 August 2024

10.00 am

PRESENT

Mr Ang Wei Neng *(in the Chair)*
Mr Lim Biow Chuan
Assoc Prof Jamus Jerome Lim
Miss Rachel Ong
Mr Sitoh Yih Pin
Mr Vikram Nair
Mr Yip Hon Weng
Mr Zhulkarnain Abdul Rahim

1. The Committee deliberated.

2. The Committee considered a memorandum submitted by the Ministry of Finance (MOF) in respect of (a) Age Well SG; (b) National Artificial Intelligence Strategy 2.0; and (c) Monitoring the Financing of Statutory Boards.

3. The Committee further deliberated.

Adjourned to a date to be fixed.

16th Meeting

Wednesday, 30 October 2024

10.00 am

PRESENT

Mr Ang Wei Neng *(in the Chair)*
Mr Lim Biow Chuan
Assoc Prof Jamus Jerome Lim
Mr Sitoh Yih Pin
Mr Vikram Nair
Mr Yip Hon Weng

ABSENT

Miss Rachel Ong
Mr Zhulkarnain Abdul Rahim

1. The Committee deliberated.

2. The Committee considered a second memorandum submitted by the Ministry of Finance (MOF) in respect of (a) Age Well SG; (b) National Artificial Intelligence Strategy 2.0; and (c) Monitoring the Financing of Statutory Boards.

3. The Committee further deliberated.

Report

1. The Chairman's report brought up and read the first time.

2. Resolved, "That the Chairman's report be read a second time paragraph by paragraph."

   Paragraphs 1 to 88 and Sections A to C inclusive read and agreed to.

3. Resolved, "That this report be the report to the Committee to Parliament."

4. Agreed that the Chairman do present the Report to Parliament when copies are available for distribution to Members of Parliament.

Adjourned sine die.