WITH the little red dot increasingly tinted by shades of grey, Prime Minister Lee Hsien Loong got back to basics in his most important political speech of the year.

At the University Cultural Centre yesterday, Mr Lee outlined — in his most comprehensive National Day Rally address to date — a slew of measures to tackle the growing income gap made worse by Singapore’s fast-ageing population.

These included sweeping changes to fundamental policies in education, housing, jobs and the Central Provident Fund (CPF) scheme.

“I brought (these issues) together tonight, so that Singaporeans understand the whole picture,” he said.

The first and overall strategy in tackling the income gap, he said, was to generate more resources to help those in need — in other words, to grow the economy.

Despite the challenges ahead, he was confident Singapore would outperform the growth estimate of 4 to 6 per cent for the next few years.

“At our stage of development, for Singapore this is a very ambitious target. Very few countries have done it, such as Japan... but not European countries, not America. But we can, provided we continue to adapt, stay open, ride the wave,” Mr Lee said.

As Singapore surges ahead, however, the difficulty will be in ensuring we move forward together.

To help elderly Singaporeans support themselves, Mr Lee said laws would be in place from 2012 that would require employers to offer re-employment to workers reaching retirement age.

Changes to the Workfare Income Supplement scheme will also be brought forward, whereby incentives for those in their 50s and 60s to continue working will be enhanced.
To narrow the gap ...

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With the higher life expectancy, major changes to the CPF are also in the pipeline. Both the CPF interest rate and the draw-down age for the Minimum Sum would be increased, and it will soon be made compulsory for those below 50 to take up annuities.

To help lower-income Singaporeans pay for their homes, Mr Lee said the Additional CPF Housing Grant cap would be raised, in tandem with the household income ceiling.

But Mr Lee did not just dwell on the challenges that Singapore faces as its society ages. He also offered a peek into the future of what he called the “City of Possibilities”.

With the aid of 3D satellite images, Mr Lee took the audience – which included, for the first time, Opposition MPs such as Mr Chiam See Tong and Mr Low Tin Khang – on a virtual tour of the new “Punggol 21”, or “Punggol 21*”. From waterfront flats to promenades, the town will be “the face of the new Singapore”, said Mr Lee. With the aid of computer graphics, the Prime Minister also gave a glimpse of how Singapore’s housing estates would be transformed in “20 or 30 years”.

Old estates will be rejuvenated and new upgrading programmes extended to all flats built before the 1990s, Mr Lee said.

In a gesture that underlined the Government’s faith in education as the fundamental solution to income disparity, Mr Lee asked a group of teachers and principals in the audience to stand up as he paid tribute to the country’s educators – before unveiling two major education initiatives.

With the three universities here operating near full capacity, Singapore could see at least one more publicly-funded university by 2015, Mr Lee said.

To get young Singaporeans to be conversant in Malay so they are better equipped to engage neighbouring countries, bonus points for Junior College admission will be given to students who take Malay as a third language. This will also be extended to non-Chinese students who take Chinese as a third language.

In spite of the comprehensive measures, Mr Lee said Singaporeans should not expect the Government to shoulder the entire responsibility of helping the poor.

He recounted how the late Dr Ee Peng Liang, who was the chairman of the Community Chest, once had to admonish a man who came to him for help “because he felt that the man was not making the effort to help himself”. Added Mr Lee, half in jest: “But an MP or a Minister has to think twice, maybe three times, before he does so.”

Apart from self-help, there is also a need for greater philanthropy in an increasingly “winner-takes-all society”, Mr Lee said.

Both teams used identical boats. But Singapore won.

What made the difference? Our team. The five-man crew. Their abilities and their skills, their training and their teamwork. Their determination and their will.

Never give up. Think coolly under pressure. Battle tenaciously ... and prevail. This is the Singapore spirit that will see us through as we remake our nation and build our home together.

Whatever the challenges, we will tackle them one by one and sail through.

The Prime Minister on the Singapore sailing team’s final keelboat match against India in last year’s Asia Games.