

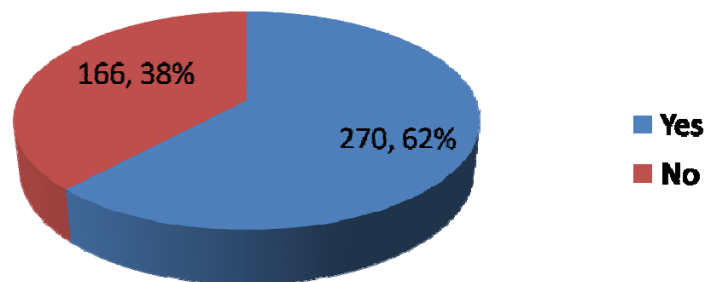
Brief Summary of Budget Impact Survey Results

The Budget Impact Survey released by ICPAS Research was conducted between December 2010 and January 2011 to explore the views of CPA Singapore community on the productivity and innovation issues which was highlighted in the 2010 Budget. . The survey also looks at what the CPA Singapore community thinks of the 2010 Budget tax incentives on businesses.

1. A total of 436 respondents, where more than 67 % are managers and above, participated in the survey. 61% of the respondents have more than 10 years of work experience.

Productivity

1. In the past 12 months, have you attended any training or educational courses that are intended to enhance your productivity?



2. 62% responded having attended training courses in the past 12 months intended to enhance their work performance. Of this group, 92% of them had indicated that the courses attended actually helped to increase their productivity. The respondents had mostly attended training attended courses meant for professionals, managers, executives and technicians (PMET) (72%).
3. A significant 38% of respondents, however, did not attend any training or educational courses in the past 12 months.

Relationship between number of years of working experience and attendance of training

Yrs of Working Experience	Total Respondents	Respondents who answered	
		No (%)	Yes (%)
16 yrs or more	155	39	61
10-15 yrs	112	37	63
6-10 yrs	79	35	65
4-5 yrs	38	21	79
3 yrs or less	52	56	44
Total	436		

4. It is noted that there is an inverse relationship between the proportion of respondents attending training courses and the number of years of work experience. Those with 4-5 years of working experience recorded the highest attendance of training courses (79%). However, the attendance rate recorded a sharp drop of more than 10% for those with 6 and more years of experience. This is a worrying sign for Singapore who, according to a UBS research report, is set to be the world's third fastest ageing population. On 28 June 2008, The Straits Times had reported that "Singapore may suffer most among the Asian economies from an ageing population, with the average growth in economic output falling more than 40% over the next 25 years. With a shrinking workforce brought on by an aging population, increasing productivity for older aged workers becomes especially important for Singapore to sustain its economic output.

3 years or less of work experience reports higher % of non-attendance of training courses

5. Among the respondents who did not attend training courses, the proportion of those with 3 years or less of work experience was significantly higher at 56% compared to other groups.

Top three choices of ways to improve productivity

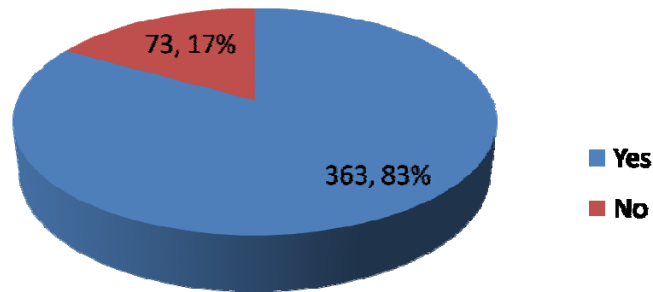
Respondents had chosen (i) external seminars or workshops (ii) professional certification courses and (iii) leadership and management courses as their top three choices of ways to improve productivity.

Companies are generally supportive of employees' need for training

6. An overwhelming 82% of respondents indicated that their company is supportive of staff undergoing training to improve their productivity.

Majority of respondents consider themselves to be T-shaped employees

7. Do you consider yourself as a T-shaped employee or having the potential to be a T-shaped employee?



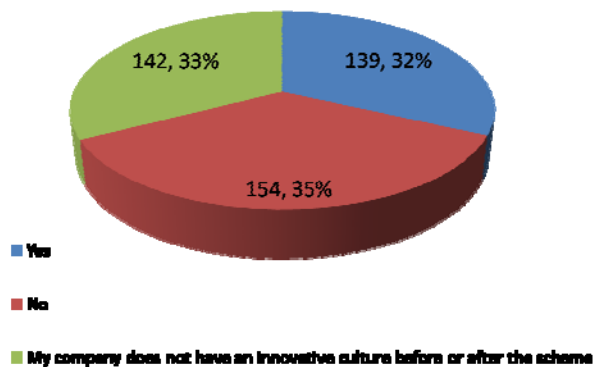
7. 83% of respondents also considered themselves to be a T-shaped employee or have the potential to be one. Ironically, one of the top three reasons cited by these respondents as hindering their ability to develop T-shaped competencies is a lack of support from top management. This suggests that companies are keen on improving the productivity of employees, resulting in immediate gains, but not on developing the T-shape potential of employees.

Activity	Votes
External seminars or workshops	223
Professional certification course (CPA, CFA)	195
Leadership or management course	171
Industry-specific specialist training	160
Internal Job rotation	159
Overseas work experience	150
Internal training programme	132
Post-graduate programmes	114
Master-classes	32
Work longer hours	6

8. The top factor cited by respondents as hindering the development of T-shaped competencies is time constraint for training & development.

Innovation

9. After the innovation-related schemes introduced in 2010, was there an improvement in the innovative culture or factor in your company?



9. The question on whether innovation-related schemes introduced in Budget 2010 resulted in an improvement in innovation in respondents' companies had yielded mixed responses. One-third of the respondents indicated that the innovation-related schemes have helped improve the innovation in their company. Another one-third indicated that there was no impact to their company. The remaining one-third indicated that their companies do not have an innovative culture before or after the schemes.

10. The top three reasons cited by respondents for the lack of improvement in innovation in their companies were (1) no personal incentives to be innovative, (2) no specific channel to submit ideas, and (3) no support from top management.

11. Respondents had also the following ways how the government can help to further foster innovation in Singapore companies:

- Bring in more overseas innovation experts to teach innovation
- Provide more subsidies and monetary incentives
- Conduct more innovation courses
- Less stringent criteria for eligibility of innovation schemes
- Reach out more to SMEs
- Give recognition to companies who innovate
- More targeted incentives

Tax Incentives

12. The top tax incentive recognised by the respondents is the Productivity and Innovation Credit (PIC) with 45% indicating that they are aware of this scheme.