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MPs Speaking:	Dr Lily Neo (Jalan Besar);Mdm Ho Geok Choo;Mr Seng Han Thong (Yio Chu Kang);Mr Abdullah Tarmugi (Mr Speaker);Mr Zaqy Mohamad (Hong Kah);Ms Irene Ng Phek Hoong (Tampines);Ms Lee Bee Wah (Ang Mo Kio);Ms Sylvia Lim (Non-Constituency Member);Prof. Thio Li-ann (Nominated Member);The Prime Minister and Minister for Finance (Mr Lee Hsien Loong)

## CIVIL SERVICE SALARY REVISIONS

**Ms Lee Bee Wah (Ang Mo Kio):** Mr Speaker, Sir, before I proceed to speak on the issue of revision of salaries of our Ministers and the civil service, I would like to speak on the salary of a very special group of professionals, that is, the engineers.

The median salaries of the top eight earners for six professions used to compute salary benchmarks for Ministers and Administrative Officers indicated that the earnings of Engineers is a far cry from the other professions. Before our young brains flock to study law and accountancy and shun engineering in universities and polytechnics, I would like to highlight the success stories of many engineering-trained CEOs. I believe a lot of you have seen this article in the *Business Times* a few days ago. Out of 55 top executives, at least I know that 1/3 of them are engineering-trained. And on top of the list, Mr Wong Ngit Liong from Venture Corp, his earning is \$16.5 million in year 2005. I know that he is an electrical engineer by training. He is not the only engineer-trained CEO who earns multi-million dollars. Further down the list, we have Mr Foo Eng Hiong, Venture Corp; Mr Liew Mun Leong, CapitaLand; Mr Tan Choon Huat, Venture Corp; Mr Tan Kwi Kin, Semb Marine; Mr Tan Pheng Hock, ST Engineering; Mr Chew Choon Seng, Singapore Airlines; Mr David Lim, NOL; Mr Lee Hsien Yang, Singapore Telecoms; and Mr Koh Boon Hwee, though the name is not inside, and the list goes on and on. However, their salaries will most probably be reflected under MNC or local manufacturing among the six professions in the benchmark, not under "Engineers". Furthermore, I believe it is not just by sheer coincidence that more than 40% of our current Ministers and many more top civil servants are

engineers by training too. This shows the flexibility of someone with an engineering background. The engineering training enables them to think sequentially and logically, anticipate problems, trouble shoot, and so forth. Hence, many engineers have done well and move up the corporate ladder. They are wanted to run the companies and also to engineer Singapore into the First World.

However, the present trend of the young and bright opting for more fashionable soft courses gives rise to concern that there will not be sufficient first-class minds with engineering background to continue with our progress and nation building. Perhaps, they were turned off by the remuneration of professional engineers. One way the Government could help is to assist professional engineers in showcasing their contributions through more media publicity, engage local professional engineers in all Government projects with decent fees and, more importantly, remove the jail term for professional engineers in the Building Act.

I did a quick check with my parliamentary colleagues who are from other professions like lawyers and doctors, and they told me that they do not have jail term specified in the Act governing their professions. In the long run, if our younger generation does not take up engineering, our country could be heading for disaster.

Similarly, if all our bright civil servants are drawn away by the private sector or, worse, by other countries which would not mind paying top dollars for our top civil servants, then I am really worried for the future of our country.

Mr Speaker, Sir, I would like to continue my speech in Malay please.

*(In Malay): [For vernacular speech, please refer to Appendix A\*.]* The strength of a country does not solely depend on wealth from natural resources such as oil, timber, oil palm, sand or granite but, more importantly, the human capital. In Singapore, since the PAP Government started the policy of a clean and honest bureaucracy, many of us have become complacent because we have been living in a society that is transparent and free of corruption.

We have received many accolades and this causes the envy of other countries. The issue is whether we want to wipe out all these simply because of comments that senior Government officers have been overpaid. Secondly, what is the amount referred to as being overpaid?

I can depict it clearly when I was small, living in a society controlled by money, not merit. With money, laws could be changed such that low-cost houses allocated to the homeless were eventually owned by those already possessing a house and lands which were to be apportioned to farmers were eventually owned by landlords. Small shops had to make payouts to the gangsters who were protected by corrupt policemen and the government officers.

You may have heard stories of some countries where there were incidents of changing personal data found on the identity cards or passports, requests made to the police to closely guard their homes and court decisions which could be fixed through bribery.

Do we want to live in such a society? Who is actually more oppressed? Not the rich and famous, but ordinary citizens and the low income group, small businessmen and retirees.

*(In Mandarin): [For vernacular speech, please refer to Appendix A\*.]* Mr Speaker, Sir, in Singapore, our Ministers pursue their work with pride and professionalism. They treasure their work and win the respect of others. Also, look at our nurses, they are proud of their work. During the SARS period, they expressed passion for their work and were willing to sacrifice for our society. Why is that so? I do believe that this has to do with good leadership. The senior leadership has communicated the concept of commitment, quality and outstanding virtue, honesty and incorruptibility. I remember when I was young, sometimes I could not pay my school fees just because the policeman had come to my house and he would always have some reasons to take away the last few dollars that I had. Sometimes, it was because the dog in our house did not have a licence or that the bicycle in our house did not conform to the specifications. How terrible!

My next point is: what is the amount of salary that is considered enough? Last year, the salary of the CEO of DBS Bank was \$7.5 million. The CEO of

CapitaLand was paid \$5.1 million and the CEO of StarHub, \$3.5 million. This is a widely known fact. In comparison, our Ministers were only drawing \$1.2 million which was very much lower. Of course, some people said the risks faced by the Ministers cannot be compared with the risks faced by the CEOs in the private sector. Let me quote a letter published in the Straits Times dated 28th March 2007. It was mentioned in the letter that the politicians in other countries enter politics as a scarecrow, but they leave the political arena as fat cows. In contrast, the Ministers in Singapore enter Parliament with black hair and leave Parliament with a full head of white hair. Our Ministers and civil servants spend endless hours, not knowing night or day, to analyse every piece of data to arrive at a decision. The risk they face is exceptionally high because their decision would affect the lives of four million people and perhaps it would even affect the survival of the little red dot. Furthermore, surrounding the little red dot are many big brothers looking ferociously at Singapore. Under such circumstances, to make the correct decision is exceptionally difficult. But, without a single word of complaint, they proceed to do the job. For this reason, we must reward our leaders what they deserve. The purpose is really to recognise their important contributions to our country and not so much of preventing them from leaving for greener pastures in the private sector or in other countries. I believe that our Ministers have noble ideals when they enter the political arena.

Next, I move on to our civil servants. Like other paid employees, they receive a salary to support their families. I believe that we must pay market rate salaries to civil servants with outstanding performance. And we should only give to those who deserve it. Those with outstanding performance should receive market-based salaries. But for those whose performance does not reach a certain level, they should have their salaries reduced or even dismissed. This is what they do in the private sector.

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\*Cols.

Let me give an example. After the collapse of Nicoll Highway, many friends in the construction industry had expected the Government to introduce more measures to strengthen safety at construction sites. But some changes are not necessary. In the proposed amendment to the Building Control Act, there is a new provision. It states that for all high-rise buildings above 30 storeys, there should be a new category of geotechnical engineers to design and check the piling. Is this

necessary? What is the relationship between the Nicoll Highway collapse and foundation of high-rise buildings? All along, the foundation of high-rise buildings has been designed by professional civil engineers and only when they consider it necessary would they engage a geotechnical engineer to assist. With this new amendment, whether there is a need or not, the developer must employ a geotechnical engineer. It is not only a waste of money but also a waste of precious time. What is more, time is money.

Should the civil servant who introduced this amendment receive a salary increment? In this regard, I therefore recommend that we should have a system for salary increment which is linked to performance, and this system should be similar to the KPIs used by the private sector. However, please do not use the profit bottomline as a KPI, because I do not wish to see the Government departments becoming a profit centre and forget that their main role is to provide service to the people.

The civil service in Singapore is recognised as one of high efficiency and honesty. Transparency International, an organisation based in Berlin, has ranked Singapore fifth, as the country with the least corruption. We must work hard to protect our position, not for the honour but for the need to maintain an efficient economy. In a corrupt system, there are many resources which are wasted. We do not have to look far for examples. I remember a report in recent years, which pointed out that a neighbouring country has lost US\$2 billion in two years due to corruption. This is not a small sum. If these resources, which were taken away by corrupt officials, had been well utilised, they could be used to strengthen infrastructure and raise the quality of public service. Furthermore, if a country is corrupt, its problems would get more and more deeply entangled and they would never recover. On the other hand, an honest system would attract investors to our country, because it is a stable and safe platform to allow them to inject their resources and these will reap tremendous economic benefits. According to IMF, there is an article which states that corruption is equivalent to imposing huge tax burdens on foreign investors.

Next, I would like to tell you a story. In a particular city, there are many schools, some are elite schools, and some are ordinary schools while some are not as good as the others. Among them, there are two famous elite schools. And they were set up 40 years ago. Recently, these two elite schools have changed their board of directors, and they are able to do so because they are independent secondary schools. Let me talk about the first school. It is called Bee Wah Secondary School. The directors feel that since Bee Wah is already one of

the top schools in Singapore, there is no need to look for the best principal and the best teachers to come to the school. Furthermore, if the teachers join the school, they should be committed and should sacrifice themselves in education. They should be the engineers of the human souls. Not only that, the board of directors decided that the salaries of the principal and teachers should be linked to the results of the lowest bottom 20% of the students. If they get more than 50 marks, the teachers would be paid \$2,500 per month, ie, \$50 for each mark. So if the students get 30 marks, the salary should be \$1,500; if they get zero, their teachers should not be paid. Think about that. What would be the results? When Bee Wah Secondary School wants to recruit teachers, would they get good teachers to respond to them? Not only would they not get good teachers, even the existing teachers would spend all the resources to look after the weakest students. All the good students would go to other schools, because they had been neglected. So this resulted in the loss of talent and eventually Bee Wah Secondary School may have to close its doors.

On the other hand, the board of directors of Rui Lian Secondary School was very far-sighted. They said, "Although we are already one of the top schools in the city, there are many schools which are competing with us. We must ensure that we maintain our strength and stay on the leading edge. How do we maintain our leading edge?" The board of directors said, "We will look for the best principal and the best teachers to join our team." Let us consider this point. Do you think it is easier for this school to recruit teachers? Certainly. Not only that, a lot of the good students from other schools would transfer to Rui Lian Secondary School. And, possibly, Rui Lian Secondary School may even have to enlarge its premises through land reclamation!

My question is, if you are thinking about a school for your children, which school would you send your children to? I think your answer would be the same as mine. Finally, let me quote a saying from Confucius: "If a person does not have long-term concerns, he would have short-term worries."

Sir, I support the motion.