New ministerial pay package "should also look at average man's pay"
By S Ramesh | Posted: 24 May 2011 1721 hrs

SINGAPORE: It may be a while before the committee set up to review salaries for political appointment holders completes its report, but views on the subject continue to be debated.

And political watchers in a radio discussion on Tuesday emphasised that any package proposed by the committee headed by Mr Gerard Ee must take into account what the average Singaporean earns.

The "Talkback" show on MediaCorp radio station 938Live saw three guests - former Nominated MP Gautam Banerjee and political commentators Eugene Tan and PN Balji - sharing their views on the topic of ministerial pay.

Mr Eugene Tan, an Assistant Professor of Law at Singapore Management University, said: "While we accept the principle behind a fair compensation package, the idea that ministers are paid way above the average Singaporean is something many Singaporeans have difficulty accepting."

However, it's argued that high salaries are not just a Singapore phenomenon.

Mr Gautam Banerjee, executive chairman of PricewaterhouseCoopers, said: "With globalisation and the companies getting larger, the salaries of the top individuals have increased disproportionately to the rest of the workforce. The formula has been giving these very large figures which the government has already brought down. They have never used the formula in its entirety because what the formula was throwing up was just too high a figure, just not tenable."

He added: "One of the things that people have always had with this formula is that you are always taking the highest of the high each year. You are always pegging yourself with the highest performers."
"You could do a number of things; you could take a broader number of people, you could take the highest individuals, you could take a medium of the top 50 and have something which you could sell politically, because at the end of the day, in the private sector it is also under a lot of review, especially after the financial crisis."

The review committee must also look long-term in order to attract the right talent.

Mr Eugene Tan said: "The committee has to balance the need to continue to attract talent within the ministerial ranks and at the same time come up with a set of recommendations which will have the 'buy-in' of the majority of Singaporeans.

"It is important for an issue like the ministerial salaries not to be excessively politicised. I don't think we can completely remove the political sting but it is important that it doesn't become an issue that takes away the moral legitimacy of the government.

"The whole process of looking at the ministerial salaries will be an important gauge of the new style of governance, reach out, engage and get Singaporeans to co-create. It will be an interesting process to watch.

"If the salary package is seen way too low, then I think it would be difficult. We must bear in mind that while serving in the Cabinet, taking part in politics is a calling, I am not so sure we should look at it as the politicians performing a public service close to volunteer service.

"It is important to recognise that the work they do serves a larger good and it is important we continue to attract good people."

Political watchers also do not rule out the possibility that in future, some top civil servants may indeed be paid more than their minister.

And they do not think the status of the president would be diminished if he is paid less than the prime minister.

Mr Gautam said: "You look at corporates, the chairman (who) is the most senior person in the organisation, is paid less than the CEO....The CEO carries a role....responsibility to perform and do more things and so the CEO's salary is more than the chairman. But the chairman gets the gravitas, the respect.

"(In Singapore), you still pay the president a salary, which is to commensurate with the position but it doesn't have to be the highest. And, also, the president is advised by a Council of Presidential Advisors and he has a good Council to advise him, he is not doing the job alone."

While the political watchers feel there should be public consultation on ministerial pay, they say mass feedback sessions could only lead to more noise and chatter. But they hope the review committee will be explicit with the principles it takes to arrive at its decision and also make public the final report.