

## 'A very difficult, emotional issue'

**Prime Minister Lee Hsien Loong sets out why ministers' pay remains a critical issue for Singapore's leadership, and future**

'WE'VE discussed the issue of ministerial salaries many times over the years in this House. And it's always a very difficult and very emotional issue for completely understandable reasons.

First, because you're talking about pay, which is always sensitive. Second, you're talking about significant amounts of money, especially as it would appear to the ordinary man in the street - millions of dollars. And third, because you're talking about what elected ministers are earning - representatives of the people, serving the people and being paid out of the taxes of the people.

So, it's a subject on which people have strong views, strong views not only on what is the correct or incorrect salary, but also strong views on what is right and fair, and whether the basis is proper and legitimate.

One of the reasons the debate is never finally settled is because there are two radically different approaches to this problem. One, as argued by the Workers' Party, at least in principle, though not in their sums, that public service has its own reward. People entering public service shouldn't even think about the pay. All the sacrifice and hard work would ultimately benefit the general good of the public, and that by itself should be greater satisfaction than any salary package.

The alternative view is that we should pay whatever is necessary to assemble the best team for Singapore, to consider the difficulty and the importance of the job of ministers, to think what quality of people you're looking for to be ministers and to look at what capable Singaporeans are earning in the private sector and pay commensurately to get the best team possible.

So, an idealist approach versus the pragmatic one. The key is to find the right balance between these conflicting considerations, the right combination of idealism and pragmatism, and a formula that will work well and that our citizens will accept.

And it's vital for us to get a pay system which works for us. Because this is not just about how much money ministers will get, but it's about Singapore's future. It's about ensuring that Singapore always has a good government, leaders who care for our people and our country, who have strong abilities to carry out the responsibility of ministers and the character to handle pressure and the mettle to provide steady leadership in a crisis. And if we can get that right, then we can protect what we have achieved and build better lives for all. If not, the little red dot will become the black spot.

I have been involved on this issue for many years, first helping Lee Kuan Yew, then Goh Chok Tong, build their teams of Members of Parliament and ministers: meeting people, interviewing people, trying to persuade people to come in. As a minister and DPM, I have also been working on successive salary revisions. As Prime Minister, I'm focused on assembling the best team to run Singapore today and sustaining the system for the long term, for the future.

The overriding priority is to build the best team for Singapore. The search process is extensive. Talent spotting individuals, specifically seeking out people with the abilities, with the right combination of background and skills and aptitudes to be potential office-holders, because we found from experience that if you just do a general trawl, you do not catch the whales.

We are looking for Singaporeans in their prime - 30s or early 40s. Because we want people who are still young, still flexible, able to learn what the job involves, having the best years of their lives ahead of them, able to have a long runway in order to master their job, to get the feel of it and to serve in their prime years when they have energy and vigour, when they can connect with the younger generation, when they still have time to build bonds with Singaporeans, with the grassroots, with fellow politicians. And eventually become good ministers while they are still vigorous and have energy to do things for Singapore.

If you look at my present office-holders, ask yourself: Whom have we brought in? From where? We've got several from the private sector. We've brought in Shanmugam, top lawyer, he was an MP for many years, eventually we persuaded him to come in in his late 40s at the peak of his earning powers, when he took a very substantial pay cut to come in, even to our pre-committee salaries.

Dr Ng Eng Hen, a very successful surgeon, also coming in with a significant pay cut. Mr Gan Kim Yong in NatSteel, previously in the Administrative Service, Grace Fu in PSA - people successful, proven, now making a leap into what for them must be an uncertain new path and not just their career, but their mission. In Cabinet, they are all making a far bigger contribution than they were making in any of their previous jobs. But in Cabinet, they are all earning much less than they were before they entered politics. I wish I could find more of them.

Others have come in from the public sector, from the civil service, from the Singapore Armed Forces: Teo Chee Hean, Tharman Shanmugaratnam, Lim Hng Kiang, Lim Swee Say, Khaw Boon Wan, Heng Swee Keat and many other younger ones brought in in this recent general election. Had they stayed on either in the civil service or the SAF, they would most probably have risen high and gone far. We looked for the most promising ones, and we raided the civil service and the SAF knowing that they would leave the service weaker, but understanding that unless you've a good government and a good set of ministers, however strong your civil service is, it's not going to be able to perform.

Of course, the talent pool was there in the first place because the civil service pays properly.

For both those coming in from the private sector, and the civil service and SAF, these were very tough decisions. For the private sector, you're coming in from a career where you are known, where you're doing well, where you've your network, you're on the up, and if you stay on, you know what you're going to do.

It's not just the earning power, it's also the excitement, the challenge, the success, the thrill of being at the top of your career and your profession. You come in, you may succeed, you may fail. You cannot say for sure because however successful a person is in the private sector, public service as a minister is a different proposition. You need different aptitudes, different skills. If you don't have the right touch and you don't transfer from being a specialist doctor to being a policy-oriented minister, whatever your psychomotor skills, whatever your many years of learning and experience, it's gone to waste.

And you cannot go back to the private sector and rejoin your profession. Five years later or 10 years later, you're not as young, five more years of bright young people have come along, filled the places, taken your clients or patients, and you go back out, you're in a different path. So, it's an irrevocable change of course.

And, of course, there are family and privacy considerations as well, especially if your family is still young.

Similarly for those from the public sector. In a way, it's easier because they have been working on policies, they probably have more contact with the ministers, but for them, it's also a one-way ticket because you have to resign from the public service.

And likewise, no assurance of success because writing policy papers for a minister is quite different from standing up in Parliament and expounding and defending and persuading and carrying a policy which you have had to take the lead to set and to work out. If it doesn't work, they also have to start afresh, completely new in the private sector somewhere. Those who come into politics but didn't become ministers straightaway - and sometimes that happens - have immediately to find new jobs outside of Government and make a living for themselves.

It's not a simple matter because you're going to be, as a minister of state or minister, responsible for the futures, the lives, the security, the prosperity, the education of several million Singaporeans and if you are not up to it, several million people are going to suffer the consequences. If you don't pause and take a deep breath and think it over for several days, you are not fit for this job.

So when people say, come in, I have the passion, I will proceed, if only life were so simple and passion was sufficient for everything. You need the passion, but you also need to be circumspect to think and consider carefully: Am I up to it? Can I really make

that contribution? Therefore, you're not talking about huge numbers of people, you're talking about a few dozen possibilities in Singapore, finally when they boil it down in each election, we've never brought in more than six or seven.

I have never discussed salaries with the potential candidates who are coming in either from the private sector or from the public sector because if money had been their principal consideration, we wouldn't even have fielded them as MPs, much less appointed them as ministers.

I asked them to join politics because they have the right values, because they were capable and, I believe that they could make meaningful contributions. And they agreed to come in because they wanted to serve and after searching their souls and consulting their families they felt: Yes, I think I can make a contribution.

I don't believe that salaries were a make or break issue for any of those who have come in, but I have no doubt that proper salaries have made it easier for me to build the team which I have today and to provide the best service which we can to Singaporeans to govern the country.

But I also recognise that there were others too who might have been able to contribute but who declined when I asked them. Nobody will ever say, 'Sorry, the pay is too low', but we need to be honest with ourselves. For some of them, it must have been a consideration, especially the younger ones with young families and young children.

So far, I've been more successful bringing in people from the public sector than the private sector. It's more difficult for those from the private sector to adjust, to come in and to be a minister because there's a greater difference between ministerial skills set and the business and professional skills sets; from being a surgeon to being a decision-maker, from being a lawyer arguing a case for your client to being a minister deciding what are the right laws which should prevail in the land.

There is one more factor, and that is that civil service pay, while competitive, is not quite as high as the private sector pay. So, when the civil servant comes in, the impact financially is not so great. But even then, when I bring in a senior officer like Heng Swee Keat, he will take a substantial cut, and now, with this recommendation, a further reduction.

I've been involved with pay as well as salaries for a large part of my working career. My first involvement: SAF in the 1980s. The Government was planning a major increase of salaries proposed, I think, by Mr Goh Chok Tong, who was then Defence Minister. It was about 20, 25 per cent increase for the officers, and I argued against it because I thought it was too much, too fast. There was no need to be so generous and perhaps to change the spirit of the service. But that was from my perspective, which changed over the years.

Later, when I came into Parliament, I watched how Mr Lee Kuan Yew argued and defended the policy of paying realistic wages to ministers. I remember particularly in 1985, during the Budget Committee of Supply, where there was a full debate with Mr J.B. Jeyaretnam. MM, well then PM, came with a stack of papers and did battle. He never looked at the papers but for three hours, he argued, explained, made the case with Jeyaretnam, with Chiam See Tong, with several other MPs participating, in a way which only MM can do. Why this is being realistic, why you have to be honest and not hypocritical about this matter, why it is necessary to have the best man to be the chief justice, to be judges, to be the attorney-general, to be permanent secretaries and ministers, and how important it is to do that right rather than argue over a few million dollars of salary. But even MM, after three hours of a bravura performance, couldn't settle the matter permanently. It is not possible.

Every few years, we came back to it and each time, we had to argue the matter again. In the early 1990s, I was Deputy Prime Minister and in charge of the Civil Service, Public Service Division. And I saw how, at that time, with rapid economic growth and rapid increases in salaries, civil service pay was lagging behind the private sector, and the service was rapidly getting depleted. Young officers were leaving, paying up their bonds or leaving soon after their bonds, not waiting to be underpaid in their 40s but calculating ahead that by the time I'm 40, I'm going to be behind.

I was convinced we needed a major revision, and so in 1993, we made major revisions to the pay for ministers, for the civil service, especially the Administrative Service and the Legal Service. And at the same time, we came up with this idea that you're going to have this problem repeatedly over the years, the arguments remain the same, we should settle the argument, try and make a benchmark and then we just follow the benchmark. If it goes up, we go up. If it goes down, we go down. And the logic remains the same.

But for many Singaporeans, ministerial pay remains an issue. Some of them disagree with the principle of looking at the private sector or may have reservations about the formula which we have set. Some people feel that the salaries are just too high. Whatever it is, that's too much and less is better.

Others may be unhappy that the ministers have to take the responsibility to decide their own salaries. And then there are the concerns that highly paid political leaders would lose the ethos of caring for Singaporeans first as their main motivation and priority, and may lose touch with the problems of average families. So all this came to a head in the General Election in 2011. And I would say that these are, in principle, reasonable concerns.

No government can function unless it is serving the interests of its electorate and Singaporeans. But in Singapore, the PAP's track record of government can stand up to scrutiny. Bonus or no bonus, year in, year out, we have looked after the interest of all Singaporeans, especially the poor, which is how we have got here today, as Madam Halimah Yacob reminded the House just now.

But these are not issues easily settled in the heat of a campaign, and we certainly do not want an auction to the lowest bidder: People saying, 'I will serve for less' and the other person says, 'I'll serve for even less', and you think that if you choose the cheapest one, you get the best value for money. It has to be considered carefully and thoroughly with Singapore's best interest at heart, and then we reach a judicious decision which will serve Singapore well for the longer term.

Therefore, after the GE, I appointed Mr Gerard Ee to head a committee. He put together a competent and respected team with broad experience. They consulted widely, they analysed the issues thoroughly and from a fresh perspective, and they've submitted what in my view is a well-judged report. In terms of quantum, there's a major reduction, more than one-third reduction for ministers, no more pensions, the formula is changed. It reflects the committee's judgment of the right balance between paying competitively to assemble a good team and setting a reasonable discount for public service. This is significantly different from the balance which the Government set when we last revised the benchmark 12 years ago, but the situation has changed. Since then, we appointed the committee, we accept its judgment and we will work on its basis.

But equally important as a formula and a number, the committee reviewed and reaffirmed the fundamental principles for setting salaries in the public sector. They examined many alternatives during the consultation, considered them all carefully, but ultimately decided that the basis should be what Singaporeans can earn in the private sector, include a discount to recognise that this is political service in the interest of the nation, and to pay a clean wage.

In other words, the committee reaffirmed the basis on which the Government has been working all along, although with a new formula and a bigger discount. And I'm encouraged to see that the WP also accepts these basic principles, although they have a different formula and a different notion of what the number should be, in the same ballpark as what the committee has recommended, but of course slightly lower because having looked at the committee's report, they decided that as the opposition party, surely they must recommend something a bit less. But my government accepts the committee's recommendations. We will do our best to make it work. I hope the public will accept the committee's proposals as fair and right for the future.

Why is pay such a critical issue? Because pay goes to one of the core requirements for Singapore - to assemble the best team to serve Singapore. If you have the wrong system of pay, you will have the wrong team. And as PM, this is my constant worry.

I'm less concerned about the impact of the salary revisions on my present team of ministers. They've come in, committed themselves, they're in for the course, this pay cut is not going to affect their dedication to serve. But my bigger concern is for the long term, for future Cabinets and potential office-holders, people who have not yet come in, people who must make that decision and that commitment. Can a future PM continue to get the best and most committed people to serve as his ministers? In fact, can we get the best possible future PM for Singapore? How can our pay system support this

important goal? And if we have a pay system which supports this, how can we get Singaporeans to accept that?

### **Getting the right people in Govt**

The ethos of service is critical if you're coming in to politics. Ideally, we should take public service as being inherently different from the private sector. Public service has its own reward, and we just set salaries sufficient to support ministers at a reasonable standard of living, independent of what the private sector earns. In fact, some people have argued that a bigger sacrifice will encourage more public spirited people to come forward.

I respect this view, but even though in our hearts we would wish and hope that were true, in reality we know it's not so simple. Our own experience, and the experience in other political systems, provides a reality check. Yes, there will always be some able Singaporeans who are willing to serve regardless of the terms, and we treasure people like that and when we find them, if they are suitable, we field them. But will there be enough of them to produce a whole team of ministers, a whole Cabinet equal to the task and with the standards which we have come to expect? And can we afford to risk the future of the country on the assumption that there's no trouble, we'll find them, salaries do not matter?

From my experience working the system, I know it's not so easy. We're talking about a small group to start off with, and every additional hurdle you put, every additional burden you put on the step forward to come in, you make it more difficult and you narrow your choice.

We'll get people who will come in with wealthy backgrounds. We will also get people who have been successful in their careers, who have become financially secure and who are now at the stage in their life when they are ready to do public service. They will come in. We had Dr Richard Hu, who served with distinction many years ago. We had Shanmugam come in, as a lawyer in his late 40s, and there will be others too. And I see on the opposition side, Mr Chen Show Mao has come, age 50, after a successful career. Now, he's ready to do public service.

They will be older, 50-plus years old. They can serve one, two terms. And if the whole Cabinet is 50-plus years old, I think it's going to be a less future-oriented Cabinet, less energetic, less in touch with the new generation.

We want people who're younger, who're vigorous, for whom this is not just something you do after you've done other things in your life, but the main commitment for the prime years of your working life. We need a mix of talent: Different ages and backgrounds, people who will represent the diverse needs and aspirations of our population. And to do that, you need to have a proper system.

Overall, our approach has worked well, has enabled us to assemble a strong and committed team. We've governed effectively, cleanly and fairly. We fostered a harmonious multiracial society, and we've improved Singaporeans' lives and transformed Singapore from Third World to First. Whether you're a wealthy person, a professional, a low-income Singaporean, your life today is better than it was 10 years ago and totally different from what it was one generation ago.

And as a result, Singapore and Singaporean ministers have earned respect and esteem worldwide. Singapore stands high when people look for models of what to emulate: Where are the solutions? Where are the ideas? They look to Singapore. And they look at Singapore ministers also with healthy respect. DPM Tharman is chairing the IMF International Monetary and Financial Committee, it's the main committee of the IMF. You're there because you've views, you understand the issues, you've a contribution to make. Therefore, you're respected and people are happy to work with you because you can help them to solve their very difficult problems.

So, the system has worked well. I'm not saying it's perfect. Ministers make mistakes, the Government sometimes makes mistakes. And we always try to do better. But overall, this is the system which has worked for Singapore.

Getting the best possible leadership for Singapore is vital for us because Singapore is different from other countries. Our survival and success will always be based on our ability to be extraordinary. We're a little red dot, unlike the US, even unlike Finland or Switzerland. No one owes us a living. If we run into trouble, we're not going to be as fortunate as Greece or Portugal. There's no EU to be the uncle, you're on your own.

And we've to protect ourselves in a turbulent and uncertain region. Hong Kong is as small as us, about the same population. Hong Kong always has big brother on the other side - one country, two systems. China is there, and China will take care of them. Switzerland and Belgium, small countries, they make do with either invisible or low-key government, because (they are) in the middle of Europe.

We in Singapore are not like that. We are young, multi-ethnic, always needing to change directions, to fly faster, higher. Therefore, we will always need a highly competent government to make up for our disadvantages, to run a high-functioning system whose sum is more than the parts, to constantly adjust to changes and to meet the needs of our population, including the lower-income group.

We have set an approach to public sector, public service and to government and to remunerating government which is different from the approach which (others) have taken. They have gone for complicated wages, we've gone for clean wage. They have gone for wages, in many countries, which bear no relation to the private sector. We've decided we've to be realistic. And foreign leaders often privately admit to us that they wish they could have followed us. Unfortunately, their politics do not allow them to follow us, in the way we deal with the public sector and with ministers' pay.

Good government is going to remain critical to Singapore in future. We face important domestic challenges: Sustaining growth in a more mature economy, maintaining security in a volatile and uncertain world, strengthening our social bonds and our racial harmony in a society which is becoming more diverse. Domestically, it's complex; externally, it's challenging.

We see the competition from China and India, and it's not just at the bottom. We see the fragile global economy, and that's not going to be secured within one or two years. We see the trends in technology eating into middle-class jobs - white collar jobs - and we ask ourselves: How do we avoid this tsunami?

You need a government which will constantly be able to adapt, to respond, to seek new opportunities while it's addressing the challenges in front of you. I do not see it likely that we're going to find it easier to get good ministers in future. I think the contrary is the case. First of all, Singapore politics is becoming more complex, more uncertain. It's not a sure ride, it's not a career move, you can lose and even if you win, the job of politics - persuading people, arguing with people, dealing with the brickbats - it's a lot more complicated than before.

On the other side, there are many more exciting career opportunities available for able and ambitious young Singaporeans, here and abroad. In the early 1990s, when I was worrying about the civil service brain drain, we were only concerned about the civil servants going out into the private sector in Singapore, and maybe one or two will go to Hong Kong or the region.

Today, the world is your oyster. You go to an Ivy League university, you're targeted by recruiters in your first year. You spend time in Silicon Valley, one internship, at the end, you're good, they make you an offer. New York, Wall Street, if you're good, somebody will pass them your name, the recruiter will come to look for you.

It's going to take a lot of persuading to get young people to give up these opportunities and enter politics, whatever ministers are going to get paid. And if the pay is not competitive, then that's just another obstacle to people who have got something valuable to add to Singapore.

Grace Fu was completely right in this point when she posted on her blog to say that this salary revision is okay, but if you go too far, I think that's going to be a problem for many Singaporeans. She got flamed online, but she was right, and she was honest to point this out.

Singapore has to maintain a high quality of government, otherwise we're going to go back down and be a mediocre country. We are different and because we are different and exceptional, therefore Singaporeans have reaped a Singapore dividend by virtue of your carrying a pink IC. Your value in the world has gone up. You're in demand, people want to hire you.

I was at the Apec meeting in Honolulu last year in November. I met some young people from the National Youth Council. There was a young people's gathering on the side of the Apec meeting, and we sent a delegation, seven of them - university students, some post-grads - bright, young, idealistic, seeing the world almost for the first time. And one girl said to me that she was astonished at how high Singapore's standing was, how much respect people have for Singapore. She never realised. I said, please go home and tell your friends. This is something which is precious and which we must not compromise and lose. Because if people stopped having that opinion of Singapore, I think we're in trouble.

One important argument which people have raised is accountability. Since ministers are paid well, so we've to be held accountable to perform. I would say, yes, ministers have to be held accountable, but I would say, ministers have to be held accountable whatever they're paid. Whether you're paid one dollar, whether you're paid a million dollars, whether you're paid 10 million dollars. You're the minister, you're serving the people. You've to perform to the best of your ability.

We are elected by Singaporeans. It's our duty to serve them the best that we can. And if we're unable to perform to expectations, then we've to give way to a better person or to a better team. And as Prime Minister, my responsibility is to ensure that individually, each minister performs up to expectation. And collectively, the Cabinet delivers the best government for Singapore.

So, my duty is to set objectives for ministers, assess them, hold them to account. And do this carefully and comprehensively to take into account not just what the minister does in his main portfolio, but also his broader contributions to our overall team and to Singapore.

And it's not always possible to reduce this to a simplistic formula or to a finite set of KPIs which you can just measure the numbers and calculate the bonus. Because ministers have responsibilities in many dimensions, often intangible ones. For example, building the SAF and Home Team is a work of more than a generation. So is keeping Singapore safe from terrorism. When a new minister comes in and takes over and the performance is good, it may be his good work, it may be his predecessor. We're safe today, we've not had war for the last 30 years, but we've been preparing the SAF, building up our security, making sure that we're safe for longer than 30 years. So what the minister does today is not measured in tomorrow's output or even next year's output but... the results are in 10, 20, 30 years.

Same in education. Not just providing school and university places today, but building an education system that prepares students to work in the economy of the future. When will I know that our ministers have done a good job? When today's 15-year-olds are 55 and still working - 40 years. So if you talk about deferred bonus, I would have to defer Heng Swee Keat's bonus for 40 years.

Same with national development. Building public housing, yes, everybody knows how to count, how many HDB flats are completed last year. But also planning the city, conceiving a new Marina Bay, creating green corridors and spaces all over Singapore. You put that into a KPI? So many kilometres, so many new Marina Bays, so many new IRs - cannot be done.

A good minister does not just do and fulfil what the PM tells him to do. A good and entrepreneurial minister expands the scope of his responsibilities, imagines things which he could do and embarks on projects which nobody asks him to, but which turn out to be good ideas and deliver outstanding results for Singapore. So, it's not possible to have a preset formula to determine the performance bonus. The national bonus, yes, and that's about half of it. That's about the same size as the performance bonus. That you can measure - GDP, median income, 20th percentile income, unemployment. But the ministers' core responsibility, as well as his broader responsibility and contributions, that cannot be reduced to a formula.

Finally, it's a judgment I have to make after consulting my senior colleagues and (to) decide who has made the greater contributions, who has been the more effective minister.

Not every minister is equal. Ministers know it, the public knows it. And we've our own relative assessments, the public has its own relative assessments and sometimes the public is not shy to tell us what it thinks. They may or may not be right, but different ministers have different contributions, in terms of their responsibilities, in terms of their abilities, in terms of their judgment and the ability to work in a crisis. Therefore, ministers need to be at different grades and be paid different performance bonuses. But they're all part of one team, and each one has a contribution to make so that the team as a whole functions well. I've to decide the ministers' performance bonuses and grade.

And I've circulated the table showing you what the ministers' grades are currently: Two DPMs, one minister on MR3, 10 ministers on MR4. So, presently, nearly all the ministers are on MR4 because the Cabinet is still new, it's really in transition, still settling in. But I expect in the steady state, to promote more ministers to the higher grade and to build a strong team which will comprise three tiers of ministers across the different grades in Cabinet: The newer ministers who're being developed for heavier responsibilities in future, the more experienced ministers overseeing major ministries or areas of work and then the ministers who're more senior, who help me coordinate more than one ministry and oversee whole-of-government issues. So, there will be a hierarchy, but together, we're a team. And ministers who do well will get heavier responsibilities and may get promoted.

So, Singaporeans have to evaluate ministers fairly. And they've to take into account both the contributions and the shortcomings, and you've to look at it objectively and holistically because quite often, contributions may be silent. But when something goes wrong, it goes wrong with a bang. And we must try to keep that perspective.

If ministers make mistakes, then of course, they must take responsibility and put things right. We can't expect ministers never to make mistakes or never to have mistakes happen on their watch in their ministries. It's not possible, this is a very big organisation and a very complicated world. With the best intent in the world, from time to time, things will go wrong. And when things go wrong, you've to put them right. And if it's your responsibility, you've done it wrong, then you apologise and you answer for it.

If a minister is negligent or dishonest, then, of course, he has to be sacked. I have not had to do that, but if a minister doesn't perform well despite all his best efforts, then I may move him to a less demanding portfolio where he's able to perform or, if necessary, I may have to phase him out discreetly. It's not always visible, but it's necessary to do and it's necessary to understand why not everything can be done in the full glare of the spotlights.

Apart from mistakes from time to time, not every person who comes into Government will succeed as a minister. It's a difficult job, you never know until you're in it whether it'll work or it'll not work, and sometimes you've to give it a try. I can make two types of mistakes. I can put in somebody and it didn't work, or I may decide I don't want to try somebody and he could have been a good minister. So, I think that I've to accept that when people come in to be ministers, sometimes it doesn't work out, in which case I need a graceful way to disengage and part amicably.

Exits are delicate matters, and they have to be handled with dignity and decorum, and ministers, too, are deserving of dignity and decorum. You cannot turn this into a public spectacle and have it deter more good people from entering politics. So, this is how all organisations handle personnel changes, and we've to do this with ministers too, and I hope Singaporeans understand this.

But ultimately, the accountability is not individual ministers, the accountability is the Cabinet, collectively responsible for what we've decided and what the Government does. All ministers are collectively responsible for the Cabinet decisions, whether it's building houses, train lines, setting taxes, immigration policies. All ministers are held to account ultimately when next we go to GE and the public is the final judge of the Government's record. I hope that when we go to elections, we'll have a good record and the voters will assess the Government fairly, based on overall results for the whole term. That's how a democratic system has to work, and to work well, it depends on the Government performing well and it depends on the electorate making the right judgments.

I don't expect this speech to be the last word on ministerial salaries, but it's my responsibility as PM to tackle this very difficult issue, to find and prepare the best possible team of ministers for Singapore and the best next team to take Singapore forward. To do that, it's not just a matter of drinking more tea or meeting more people, but putting in place the right system, the right framework, the right structure, and that's the pay system and the pay structure to help the next team succeed and to find more people.

So, I hope Singaporeans will understand this bigger picture, will know that getting in the right leaders who are passionate, committed and have the right values is key to their future and to do that, you must have the pay system right.

It's very hard for a new PM to do this, so Mr Lee Kuan Yew tried his best to clear the decks before Mr Goh took over. I think Mr Goh did all he could to put it on as sound a position as possible before he handed over to me. And I've to do my part to try and make it work in a different environment, looking forward beyond me into the next generation.

So, I'm taking this on my shoulders, and I ask for your support to make the right decision for Singapore, and then we'll have always capable, public spirited men and women in Government to serve our people and to secure our future for many years to come.'