

# MP Yaw Shin Leong's speech on Ministerial Salary Review

Mr Speaker Sir,

In response to our Prime Minister, honorable members Mr Vikam Nair, Mdm Halimah and for the benefit for all, I shall repeat The Workers' Party position on this debate.

The Workers' Party does not endorse the white paper "Salaries for A capable and Committed Government". We reject the white paper as the basis for setting salaries of the political appointment holders because we are of the view that the formula used to derive the benchmark for Ministerial salaries is flawed.

The basis of setting salaries benchmark based on the top 1000 private sector income earners is unsound. The outcome of the formula based on the salaries benchmark could potentially result in political appointment holders' salaries become outliers to the general wage level over time.

On the surface, the fixed monthly pay out may between the WP & the White paper position may seem to differ little at this point of time. Yet it is a well known fact that the top earners' rate of income rise will rise faster than that of ordinary Singaporeans, over time.

Even though the entry level benchmark for the MR4 is \$55,000 now. If it is pegged to the top 1000 earners, we have estimated that it will increase by 51% by 2020. Under our WP formulae, our estimate is that the rate of increase will be about 41%, a more modest rate.

Also for bonuses, the committee's recommended maximum bonus is 13.5 months. Whereas for the WP, we recommend not more than 5.5 months.

This means in a typical bonus scenario – the committee's proposed pay cut benchmarked against 2010 levels for MP, Entry Grade Minister and Prime Minister would be just 3%, 31% and 28%. WP's proposed cuts would have been more substantial at 28%, 46% and 50%.

In a maximum bonus scenario – the committee's proposed pay cut benchmarked against 2010 levels for MP, Entry Grade Minister and Prime Minister would be merely 3%, 8% and 5%. Compare this to WP's proposed cuts would have been consistently substantial at 28%, 37% and 42%.

The WP's proposed cuts in the MP allowance and Ministerial salary would result in savings of about \$21 million in a conservative estimate of the typical bonus scenario. The savings could be then be redirected to fund aids to our needy and elderly.

Mr Speaker Sir, in Mandarin

议长先生，

我的工人党国会同僚已经阐述了我党对政治职位薪金检讨委员会报告书的看法，并提出建议；他们也对部长薪金的推算方式和其细节做了详细的说明。

我则将集中讨论，在决定政治职位的薪金数额时，政府应该遵从什么原则，以及如何向人民负责。我也会建议我们应该制订怎样的薪金检讨制度和国会的监督，以确保政府在以后要决定政治职位的薪金时，持续对人民负责。

大家都知道，我国的政治体制是采纳英国“西敏寺” (Westminster) 政府的制度。薪金检讨委员会报告书中也提及在“西敏寺” 政府的制度下，属于行政体制的部长，他们除了领取薪金，也应该享有国会议员的津贴。“西敏寺” 的政治体系以司法、立法和行政——也就是政府，三权分立为原则。国会的立法主权则是国家的最高权力机构。换言之，属于行政体制的部长所提出的动议和政策，必须经过立法机构——即是国会——的讨论和决议后才决定。

我们也都明白国会议员是各个选区选民所推选出来的代表。受了人民的委任，就得对人民负责。新加坡的立法机构和许多国家的结构不同，我们没有上议院可发挥另外的监督和平衡作用。行政体系的成员都来自立法体系，部长和总理都首先成为议员，然后才受委任成为部长。所以，我认为我们立法体系的国会应该对政府行政机能有所制衡。总理在第十二届国会辩论总统施政方针的演讲中也说：“政府对国会负责，我们欢迎议员提出各种尖锐的问题，在国会里进行辩论。”

此外，我认为，政府的透明度也很重要，要有理性的辩论和有效的公众问责的制度，需要资讯公开。因此，公布政治领导人所获得的薪金应该是合理的要求。

[Mr Speaker Sir, I will continue the rest of my speech in English]

This is especially so given that the taxpayer pays for the salaries of our political leaders. Therefore how much they are paid and the process of how their pay is determined has to be open, transparent, and accessible to the general public. Members throughout the course of this debate also brought up these principles. Indeed the committee report also mentions on many occasions that transparency and accountability to the public is key in their determination of political compensation. This was also the guiding principle under which the Committee recommended a clean wage.

These principles are in line with practices common to the dozen countries and territories in our survey that my colleagues have already mentioned. Only with transparency and meaningful information available can Singaporeans be — and remain — convinced that changes to the pay of our political leaders are not undertaken solely to advance their material interests, and any changes must first be and always should remain respectful of the costs borne by taxpayers.

## **WP's Proposals**

Therefore we have three proposals to ensure that the twin towers of accountability and transparency are enhanced in the political compensation process.

FIRST, we call for an independent commission to be appointed each time the Prime Minister seeks to change the terms by which compensation is determined.

SECOND, that the findings of the independent commission be always made subject to debate and also approval of the Legislature.

THIRD, a complete list of political salaries should be published on an annual basis.

## **Keeping The Committee Independent**

Taking each point in turn, we note that the committee has recommended that an independent Committee should be formed every five years to review the salary framework. The Prime Minister would determine the members of the Committee.

We would like to see this taken one step further. We think that it is important that an independent (by which I mean non-partisan) commission free from executive direction be appointed each time any changes to the formula for political compensation is sought by the Prime Minister. This is in line with practices in many jurisdictions. I will return to a detailed analysis of the practices in some of these countries later.

## **The Importance of Parliamentary Sovereignty**

It is also not enough that such a committee is formed each time changes are proposed. The committee must be accountable to and take directions from Parliament. To response to Vikram's point on WP's contributions to this debate. I would like to reiterate that 'all roads lead to Parliament', and this is most true here. The principle of Parliamentary Sovereignty is of utmost importance: the report should be published to Parliament and thus to the public — not first for the Prime Minister's eyes only, and certainly not first to a ruling-party caucus.

The findings of the independent commission must EACH TIME be subject to debate, modification and approval by Parliament.

As the Committee mentioned a Westminster system, we should take a look at some of the systems that evolved from a Westminster system of parliament.

In Australia, there is an independent Remuneration Tribunal which has three members appointed by the Governor-General. Its determinations are subject to Parliamentary oversight.

In Canada, a commission to review the salaries of Parliamentarians is formed within 2 months after each general election. The report of the Commission must be published within 6 months of its formation, and the report must be tabled in Parliament for debate and approval.

Finally, in the UK itself, in response to our Prime Minister, while it is true that a widespread abuse of expenses by MPs was uncovered in 2009, like all good leaders, politicians in the UK learnt lessons and sought to improve. The Parliamentary Standards Act 2009 was passed by the Westminster Parliament to reform the way MP expenses were dealt with, and to increase the transparency and accountability of the process in order to ensure that such an issue would not recur in the future. There is also a Senior Salary Review Board, which is an independent body that advises on the pay and benefits due to politicians. Because all of this is regulated by statute, Parliament ultimately retains oversight.

We propose that all reports from the committee should always be open to public scrutiny via the legislative process. Citizens can give their thoughts and feedback on it to their MPs — who are their elected representatives. Such public scrutiny would increase transparency and enhance public trust in the procedural rigour of determining political pay. It would also reinforce the position of the Legislature as the one of the gatekeepers for the nation's finances. I would also like to emphasise that seeking public feedback before the report is published, is not the same as subjecting the report to public scrutiny via the legislative process before it is debated, amended if necessary, and finally approved by Parliament.

### **Upholding Transparency**

Finally, I would like to bring us back to the committee's proposal that we maintain a 'clean wage' for political salaries in Singapore, particularly to ensure transparency and accountability to the public. My colleagues have already spoken on how we think that a whole-of-government approach should be taken when determining a set of goals and bonuses for our political leaders. I will instead focus on the criteria to which we think transparency should be upheld.

We note the list of salaries published in the report, and it is a step in the right direction. Our proposal is however, that a list of political salaries should be published ON AN ANNUAL BASIS in the Government Gazette and/or on the Parliamentary website. There should also be a disclosure of the amounts of national bonuses paid to office-bearers. The list should also clearly state which categories the national bonuses relate to. This will be in line with the 'clean wage' principle.

Coming back to the three Westminster countries I spoke of before, all three publish detailed lists relating to political pay. While it is true that each country has a different system of remuneration, with a series of allowances and expenses, we are still able to find a common thread running through these systems. That is, a thread of transparency.

In Canada, one is able to easily retrieve information sorted by year on the amount of compensation each office-bearer is paid. Car, rent and other forms of salary and allowances are clearly laid out in one website.

For Australia, this information is available from the Remuneration Tribunal's website. A series of annual reports from the Tribunal lay out the salaries, allowances and entitlements of each MP and office-holder.

The UK has in the last couple of years increased the scrutiny and transparency standards in relation to political pay. A full list of salaries and allowances for all office holders is available on the UK Parliament's website.

The UK Parliament also recently set up a new independent body — the Independent Parliamentary Standards Authority— to ensure that there is rigorous regulation of and oversight over MP's expenses. With a few mouse-clicks, a complete list of all expenses claimed for each individual MP is downloadable from the website. Expenses are published on a bi-monthly basis.

Regardless of how the compensation of political leaders are determined by these countries, the bottom-line is that we have stringent disclosure rules relating to the use of taxpayer funds relating to the compensation of political leaders. It is this level of transparency that we are holding up to be the gold international standard. It should be the standard to which Singapore should hold itself up against.

The benefits to this approach are many-fold. First, it would help to ensure that misleading, speculative information is not circulated in the public domain about how much our leaders are paid. Second, this will keep lawmakers accountable to the electorate in respect of their compensation throughout their entire 5-year term in office, not just at the ballot box. Third, an annual publication of salaries with discloseable national bonuses will allow Singaporeans to be able to see in the, then-and-now how their leaders have performed, and how the pay of their leaders is tied to the fortunes of the nation.

Throughout the course of this debate, we have heard several members draw comparisons with other countries, which may not score very highly in terms of transparency and accountability of their political systems. Instead of using these countries as examples of how Singapore is different, is exceptional or is better than them, I think that we should instead be focusing on learning from them. We should use their experience, and add to it the rigorous standards from well-governed jurisdictions, in our quest to ensure our system is robustly and proportionately answerable to our people.

## **Conclusion**

I would like to end by saying that we have a well-informed, intelligent electorate whom I trust will be able to draw their own sensible conclusions from meaningful data made available to them. Singaporeans are not clamouring to know how much the net worth of politicians are, but instead their chief motivation is to ensure that their wages are both fair and commensurate to the performance of their Government. And Singaporeans have a right to know how their leaders are being compensated — and rewarded — out of taxpayer monies. We in this house must have faith in our people that if we follow the

proposals above to improve transparency of political pay, we will come out stronger for it, as a nation.

Above all, I think we are all in agreement that lawmakers should have a strong sense of responsibility, accountability and service towards all Singaporeans, and should work towards our common goal for our country to have an enhanced sense of inclusivity and sensitivity. What better means to start this than in a First-World Parliament?

Thank you.