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Ministerial, civil service salaries expected to go up No uniform revision this time; wages will also be more closely tied to performance

BY: ZAKIR HUSSAIN

THE pay of ministers and civil servants is expected to go up soon, after the Government announces salary revisions next month.

But there will not be a "uniform, across-the-board large revision" for all 60,000 civil servants.

This is unlike 2000, when pay went up by an average of 13 per cent across the board.

This time round, increases will depend on how far civil servants' pay has lagged behind the private sector, said Defence Minister Teo Chee Hean, who oversees civil service matters.

Services with pay lagging significantly behind the private sector will get bigger adjustments, while those closer to the market will get smaller ones, he said.

For example, pay in the Administrative Service has not been revised since 2000 and has fallen sharply behind private sector salaries in the past two years.

Such civil servants are likely to get bigger rises to keep pace with the private sector.

Salaries of ministers, judges and statutory appointment-

holders are pegged to the Administrative Service salary structure, so their pay is also expected to rise when the changes are announced.

Another important change is that salaries will be linked more closely to performance.

Mr Teo disclosed these changes in Parliament yesterday following questions from several MPs.

"As private sector wages rise, the wages of civil servants cannot remain stagnant," he said.

"We do not aim to lead private sector salaries, but we must keep pace.

"If we are not responsive, we will lose our ability to recruit and keep able people. This will do great harm to Singapore as we would have lost one key advantage over other countries - a clean, competent and effective civil service."

Mr Teo said the public sector had felt the impact of the tightening labour market. He made a similar point in November last year, when he said salaries were likely to rise.

For example, more civil servants are resigning. The resignation rate rose from 4.8 per cent in 2005 to 5.7 per cent last year.

The problem is more severe in some services. The management executive service for graduates saw resignations rise from 7.4 per cent in 2005 to 10.6 per cent last year. At entry grade, the resignation rate is 25 per cent.

While attrition rates in other services are not yet high, "we should not wait till these services are bleeding badly before we move to retain and maintain competitiveness", said Mr Teo.

Ms Annie Yap, CEO of recruitment firm GMP, said salaries tend to be higher in the private sector.

While starting wages in the public and private sectors are similar, private sector salaries tend to be 10 to 20 per cent higher for top wage earners, she said.

Mr Teo explained that the new salary structure will tie pay more closely to performance, in line with private sector practice, where about 25 per cent or more of pay depends on performance.

This is a good principle to follow, to "reward deserving civil servants and sustain a high-performance culture in the civil service", said Mr Teo.

Asked how the civil service ensures good outcomes, he acknowledged that it has no financial bottom line. But part of senior officers' pay is linked to Gross Domestic Product growth.

"We feel that is also a good way of getting senior civil servants...to focus on outcomes of that type," he said.

zakirh@sph.com.sg