

**MINISTRY: PUBLIC SERVICE AND ADMINISTRATION**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**DATE: 13 MARCH 2020**

**QUESTION NO.: 454**

**Mrs H Denner (FF Plus) to ask the Minister of Public Service and Administration:**

(1) Whether, with reference to the recent announcement by the Minister of Finance in his budget speech on Wednesday, 26 February 2020, regarding the reduction of the public sector wage bill, his department has a strategy in place to give effect to the announcement; if not, what is the position in this regard; if so, what are the relevant details of the (a) strategy (b) amounts, and (c) timelines,

(2) Whether performance bonuses will be paid to staff in the 2019-20 financial year; if not, what is the position in this regard; if so, to which staff levels will such bonuses be paid?  **NW638E**

**REPLY:**

1. With reference to the recent announcement by the Minister of Finance in his budget speech regarding the reduction of the public sector wage bill, the Minister for the Public Service and Administration has developed the following strategies to give effect to the announcement:
2. In terms of the respective Ministers, the Minister for the Public Service and Administration is not responsible for the Public Sector. The strategy is to reduce the cost of Public Administration in terms of minimizing the spending on the following cost drivers among others that have been identified:
3. Litigations against the state;
4. Information and Communication Technology (ICT);
5. Office accommodation;
6. Corruption and fraud;
7. Use of Consultants;
8. Irregular, fruitless and wasteful expenditure;
9. Introduce reforms in the procurement and supply chain management processes; and
10. The wage-bill.

The strategy is to create consistency in government wide remuneration through the following measures:

1. Curbing benefits and conditions of service that have proliferated.
2. Consolidating efficiency measures in allowances, overtime and contract appointments.
3. Introducing cost effectiveness and efficiencies in the guide for Members of the Executive in terms of office accommodation, cell phone allowances, securities and travel benefits.
4. Extending such cost effectiveness and efficiencies to State Owned Entities, Boards and the Executive of Entities.
5. The wage bill is currently at R629 billion and is unsustainable. Savings garnered from the above will allow increased investment in goods and services.

Definite amounts from the above will emerge as measures are put in place.

1. Many of these are subject to legislation and collective bargaining in the short to medium-term.
2. Yes, all categories of employees in the public service who meet the qualifying criteria in terms of the Performance Management and Development System (PMDS) for the 2019/20 financial year will be paid their performance bonuses, within the reduced percentage allocation for remuneration budgets for the payment of performance bonuses for all categories of employees with effect from 1 April 2019.