**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**FRIDAY, 20 MARCH 2020**

**DUE DATE: 1 APRIL 2020**

**492. Dr L A Schreiber (DA) to ask the President of the Republic:**

1. Whether it is the position of the Government to reduce the public sector wage bill by R160,2 billion over the next few years as announced by the Minister of Finance, Mr T T Mboweni; if not, what is the position in this regard; if so, what are the relevant details;
2. whether he intends taking any steps to ensure that the Cabinet members implement the measures that the Minister of Finance put in place to reduce the public sector wage bill by R 37,8 billion by 31 March 2021; if not, why not; if so, what are the relevant details;
3. whether the Government will proceed to implement the reductions to the public sector wage bill in the absence of consensus with the labour unions; if not, what is the position in this regard; if so, what are the relevant details?

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**REPLY:**

The state is committed to a sustainable wage bill. During the tabling of the 2020 budget, the Minister of Finance announced the reduction in compensation budgets by R160.2 billion over the 2020 MTEF. The reductions are distributed as follows: R37.8 billion in 2020/21 financial year, followed by reductions amounting to R54.9 billion in 2021/22 financial year and R67.5 billion in 2020/23 financial year.

Changes to the sovereign rating of the Republic by rating agencies and the impact of the novel coronavirus (Covid-19) have created an unprecedented economic and social catastrophe at a local and global level. As a consequence, Cabinet will re-evaluate the impact this has had on the measures to reduce the public sector wage bill by R37.8 billion by 31 March 2021.

Government respects the process of collective bargaining.

I am informed that the Minister for Public Service and Administration has already commenced engagement with labour unions in the Public Service Coordinating Bargaining Council (PSCBC) on the concomitant economic challenges and implications of the reductions with specific reference to the 2020/21 financial year.

We will continue to engage with labour unions at the PSCBC regarding measures to implement the reductions to the public sector wage bill.