

State's wage bill growing 'too fast'

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Johannesburg - The head of a constitutional advisory body has warned that the government's multibillion-rand wage bill is growing too fast compared to the value it is generating.

Financial and Fiscal Commission (FFC) acting chairman and chief executive Bongani Khumalo told The Sunday Independent that the FFC and the Public Service Commission (PSC) were conducting research on the link between productivity in the public sector and the government's wage bill.

"We're going to check whether productivity is actually reflective of the wage bill.

"Our (FFC) concern is the size of the wage bill, their (PSC) concern is the efficiency of the public service," Khumalo said.

Earlier this year, after former finance minister Pravin Gordhan tabled the government's R1.25 trillion budget, it was reported that public sector workers cost R450 billion of the total amount.

Khumalo said the government was not getting value for the wage bill, which was growing too fast.

The public sector wage bill has consistently constituted the largest component of the government's expenditure and has the potential to undermine the state's fulfilment of its service delivery mandate, according to the FFC.

The FFC, the permanent expert commission that advises and recommends to Parliament, provincial legislatures, organised local government and other organs of state on financial and fiscal matters, hopes to include the results of the research in its annual submission to Parliament on the 2016/17 Division of Revenue Bill in May next year.

The FFC and PSC research is one of three massive multimillion-rand salary reviews for public servants and municipal councillors the government is launching through which it hopes to determine whether it is getting value for money for the billions it pays employees.

Khumalo indicated that if the outcomes of the research were to indicate that efficiency levels were low, the government would have answers on why outcomes were so bad – especially in health, education and social development divisions.

"Then we'll look at how to improve efficiency levels without having to further increase the wage bill," he said.

Former Chief Justice Sandile Ngcobo heads the Presidential Public Service Remuneration Review Commission, for the establishment of which the Public Service and Administration Department set aside R13.6 million in 2013/14.

The department has set aside another R10m in 2014/15 for the commission, set up by President Jacob Zuma to review public service remuneration policy framework and establish the appropriateness of remuneration and conditions of service of public servants.

The R10m includes R6.3m allocated to compensate commission employees and R3.7m for consultants, travel and subsistence and venues and facilities.

Ngcobo's commission has until April to conclude its work and four months to submit its final report to Zuma.

The Independent Commission for the Remuneration of Public Office Bearers is also reviewing the salaries of the country's 10 055 councillors.

Its review will check if there are inconsistencies in the payment of councillors, amend job profiles and identify career paths to help attract and retain them.

The remuneration commission will also check the cost implications of having councillors paid from the national fiscus rather than from municipalities' budgets.

Finance Minister Nhlanhla Nene, his Co-operative Governance and Traditional Affairs counterpart Pravin Gordhan, the SA Local Government Association and a sample of municipalities identified by the commission will be consulted during the review.

The government is a key employer and, according to the FFC, South Africans are twice as likely to be employed in the public sector compared to 40 years ago.

The FFC has previously blamed the influence of the trade unions, coupled with weak management, on the outcome of wage bargaining agreements.

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