

**NATIONAL COUNCIL OF PROVINCES**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 88**

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**Mr T Harris (DA-WC) to ask the Minister of Finance:**

- (1) Whether the National Treasury was (a) involved in negotiating or (b) consulted regarding the recent public service wage settlement at an average wage increase of 11.5%; if not, what is the position in this regard; if so, what are the relevant details;
- (2) whether this increase (a) is in line with medium term fiscal planning and (b) will result in an adjustment in government recruitment in the medium term; if not, what is the position in this regard; if so, what are the relevant details?

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**REPLY**

- (1) (a) No. This is the responsibility of the Department of Public Service and Administration.  
  
(b) Yes. The National Treasury was consulted regarding the recent public service wage settlement agreement.
- (2) (a) In terms of the 2009 budget guidelines, departments were asked to budget for salary increases of 6.0 per cent in 2009/10. The higher than anticipated CPI predicted for 2009/10 warranted higher increases in salaries, and provision has been made for several occupation specific dispensations. It has proposed that a maximum of R9 billion be added to the provincial equitable share and a maximum of R3 billion be added to the votes of national departments to cover the commitments contained in various salary agreements signed this year. These amounts are in addition to the provision for improvements in conditions of service made in the February budgets of national and provincial departments.  
  
(b) Public sector employment growth has increased strongly and is expected to continue to increase especially in sectors such as education, health and policing, albeit at a slower pace. Details in this regard are available in the 2009 Medium Term Budget Policy Statement.