

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER: 2920 [NW3373E]
DATE OF PUBLICATION: 12 SEPTEMBER 2023

2920. Mr A N Sarupen (DA) to ask the Minister of Finance:

(a) What were the reasons that the National Treasury failed to anticipate and include the 7,5% public sector wage increase agreed to recently in the main 2023-24 Budget and (b) on what basis was the 0% increase modelled? NW3373E

REPLY

The mis-alignment between the budget process and the finalisation of wage agreements has been a feature of South Africa's public sector remuneration system for many years.

The budget included a 1.5 per cent pay progression increase for civil servants in 2023, which was the baseline that existed at the time, taking into account the projected change in staffing numbers. The National Treasury excluded any further adjustments to compensation of employees to steer clear of pre-empting the outcome of the wage settlement in 2023/24. This was in line with the discussions at the Public Service Labour Summit on collective bargaining, that was convened and attended by both Government and Labour Unions, from 28 to 31 March 2022. It was also agreed in the Summit that parties will work towards the alignment and the timing of the annual budget process, with the PSCBC wage negotiations process for public service employees.

An ideal situation moving forward, as agreed with labour unions, would be to conclude the wage negotiations processes before the finalisation of the budget for the subsequent financial year to ensure the credibility of the fiscal framework.