

**NATIONAL ASSEMBLY**  
**QUESTION FOR ORAL REPLY**  
**QUESTION NUMBER: 684 [NO3483E]**  
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**★684.Dr M J Burke (DA) to ask the Minister of Finance:**

Whether he is able to guarantee that the increase in the public sector wage bill will not exceed the amount budgeted for in the Medium-Term Budget Policy Statement; if not, what is the position in this regard; if so, what are the relevant details? NO3483E

**REPLY**

The Minister of Finance cannot guarantee that the increase in the public sector wage bill will remain strictly within the amounts budgeted in the Medium-Term Budget Policy Statement (MTBPS), as wage outcomes depend on a settlement of negotiations between labour and government within the Public Service Coordinating Bargaining Council (PSCBC). While government aims to adhere to the budgeted ceiling, the final agreement with labour unions could differ from projections, posing risks to fiscal sustainability. Moreover, the Minister of Finance cannot provide such guarantee as that would be tantamount to pre-empting the outcome and thus undermining the bargaining process. However, the strategy is to ensure that the government can reach a wage agreement that could be afforded within the Main Budget Fiscal Framework without adding significant pressures to the system.