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Manuel's plan for public sector wages

A NEW public sector remuneration policy for civil servants would be tabled for discussion soon, Finance Minister Trevor Manuel said in Parliament on Friday.

This would provide greater clarity for employers and employees and improve service delivery, Manuel said.

The Finance Minister was delivering his Medium Term Budget Policy statement which outlines the Government's spending plans in advance of the Budget in February.

The past year has seen fierce clashes between public service trade unions and the government over salary increases, with the unions complaining that the size of the increase was determined before wage negotiations even started.

Manuel said the Government envisaged average growth of about 5,4 percent a year in personnel expenditure.

Almost half of consolidated national and provincial spending, excluding payment of interest on government debt, went to paying public servants' salaries.

The revised total for 1999/2000 amounted to R90,4 billion.

The new remuneration policy, due to be tabled in the public sector co-ordinating bargaining chamber, would benefit from the certainty brought by the government's targeting of inflation over the medium term.

Under the new policy the Government aimed to attract and retain appropriately skilled personnel, as well as support the development of a public service geared towards better service delivery.

The policy would improve the consistency between available resources, government spending priorities and human resources development in the public service.

Manuel also said the continued treat-

ment of the improvement of conditions of service (ICS) vote as a conditional grant was being reviewed as part of the budget reform process.

ICS funds only covered increases in basic salary and directly linked benefits while increases in other benefits, or those arising from promotions, had to come from departmental or provincial budgets.

"These additional costs have exerted enormous pressure on provincial budgets," Manuel said.

The budget provided R3 billion for the ICS vote for 1999/2000, of which R2,1 billion would go to the provinces.

Based on the final wage settlement, provinces would now receive about R2,4 billion out of a revised total of R3,3 billion.

The Minister also said the rate of job creation had to be accelerated.

"Labour absorption in the economy has been weak since 1990, and the trend in formal employment since 1994 has not improved, despite the resumption of economic growth," Manuel said.

He said the restructuring of state assets was already helping the economy to recover, and would play a major role in creating growth in the future.

The restructuring of the South African Special Risks Insurance Association (Sasria) had resulted in a reduction of about R7 billion in government debt.

Restructuring of the department of water affairs and forestry's operations was also expected to bring about significant government savings. — Sapa

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