

Bonuses paid to government employees rise sharply

Business Live - 17 Nov 2019

Bonuses paid to government employees rise sharply Provincial governments spend bulk of the R2.6bn paid out in the 2018/2019 financial year as DA condemns payments to senior managers 17 November 2019 - 17:09 Linda Ensor Public service & administration minister Senzo Mchunu. Picture: SOWETAN National and provincial departments have paid out 70% more than the previous year on performance bonuses to employees, despite SA battling worsening levels of debt, low growth and downgrades by two major ratings agencies over that period. Of the R2.6bn paid out in the 2018/2019 financial year, R629m was spent by national departments and about R2bn by provincial governments. A total of R1.5bn was spent in the previous year, which was lower than the R1.9bn paid in 2016/2017. Finance minister Tito Mboweni has highlighted the need for a reduction in the growth of the wage bill — which consumes about 35% of the national budget — to achieve the government's fiscal consolidation targets of reducing the budget deficit and debt. Credit ratings agency Moody's Investors Service is giving the government three months, until the February budget, to put together concrete plans it will implement to achieve its fiscal consolidation targets. The ratings agency recently held off from downgrading the country's debt to junk but cut the outlook on the rating from "stable" to "negative". National and provincial departments have spent R6bn over the last three years on performance bonuses. Details of the bonus payments were made by public service & administration minister Senzo Mchunu in a written reply to a parliamentary question by the DA spokesperson on public service and administration, Leon Schreiber. In a clear demonstration that the government rewards incompetence and corruption, officials working in dozens of government departments that received adverse audit outcomes still got hundreds of millions of rand in bonuses Leon Schreiber, DA spokesperson on public service & administration The minister said performance bonuses were awarded to eligible employees "who receive a performance rating of significantly above expectation". They are granted by the minister or the director-general of the department. Mchunu said that bonuses were paid out in the last three financial years by the national department of environmental affairs and the Free State department of agriculture & rural development even though they received an adverse audit opinion by the auditor-general in 2016/2017. Schreiber criticised the fact that among those receiving performance bonuses were government officials in management positions who received an average annual salary of R1.4m. "In a clear demonstration that the government rewards incompetence and corruption, officials working in dozens of government departments that received adverse audit outcomes still got hundreds of millions of rand in bonuses," Schreiber said. The ANC-led provincial governments of Gauteng (R848m), Limpopo (R396m) and Mpumalanga (R244m) paid out the highest bonuses despite consistently poor audit outcomes, he said. In the national government, the department of water & sanitation paid officials R101m in bonuses "for destroying SA's water infrastructure and causing taps to run dry across the country", Schreiber said. Pit latrines The department of rural development & land reform paid its managers R41m in bonuses and the department of agriculture paid R27m to its managers. Schreiber noted that while it spent billions on bonuses, Mboweni had announced in the medium-term budget policy statement that the government had cut R50m from cervical cancer treatment and R40m from the programme to eradicate pit latrines. He reiterated the DA's call that the government immediately freeze wages for all managers and administrators for three years, and reduce the number of millionaire managers by a third. "This would immediately save R168bn, freeing up money to prevent fiscal collapse and protect basic services from the limitless greed of ANC cadres." Tahir Maepa, deputy GM of the Public Servants' Association, dismissed the DA's objections to performance bonuses as "nonsensical", saying the party is not in government and should "stay in its lane", as the matter concerns relations between an employer and employees. He

noted that the amount paid on performance bonuses to high performers among all public servants, from cleaners to senior managers, is so small compared with the total public sector wage bill of about R627bn that it is not worth talking about. Bonuses were justified by high performance. “The fact that government is cash-strapped cannot solely be blamed on public servants. Public servants are paid for performance, for work that they have done. There is a standard that they are being judged against to get those performance bonuses. “It is only about one percent of the whole public service that are entitled to those performance bonuses,” he said. ensorl@businesslive.co.za
Economy 4 days ago