



REPUBLIC OF NAMIBIA

STATEMENT

BY

HONOURABLE CHRISTINE //HOEBES

DEPUTY MINISTER

OFFICE OF THE PRIME MINISTER

AT THE

**BUDGET DEBATE ON THE TABLING OF THE
APPROPRIATION BILL 2017**

28 MARCH 2017

NATIONAL ASSEMBLY, WINDHOEK

- Desh
- Honourable Speaker
 - Honourable Members

Allow me to join the other Honorable Members who spoke before me in commenting on the 2017/18 Budget and MTEF, while at the same time congratulating the Hon Minister of Finance, Deputy Minister and their expert Team for a well-crafted National Budget. A Budget which is aimed at going back to basics and “Making Impact where it Matters.” By improving the lives of all Namibians. Government’s quest to becoming a high performing public service and emancipating the potential in each individual public servant, intensified as we are concluding the third decade of our democracy in 3 years’ time.

Curbing wastage

Therefore, in the current period of economic cyclical downturn and tight fiscal policy space, there is a greater need to ensure that public expenditures are expended with the necessary care and that we use the limited public resources allocated through the Appropriation Bill as efficiently and effectively as possible, thereby turning around every cent and avoid wastage, fruitless spending and unauthorised expenditure.

I, therefore, appeal to the responsible Ministers and their Accounting Officers to adopt an out-of-the box thinking in reprioritising spending needs within a hard budget constraint and to intensifying accountability for strategic outcomes. I am convinced that with continuous dedication we can do more with less.

Rededication to efficient service delivery

The Honourable Minister of Finance in his Budget Speech stated that “...Government has, as a priority, improved delivery of public services through a performance and results-based work culture”. I fully agree with this sentiment, and believe there must be a much greater focus on performance improvements in the efficiency and effectiveness of public service delivery. In this regard, I am glad to mention that the Office of the Prime Minister will conduct an Annual Citizen Satisfaction Survey this year to measure, among others, turnaround times and accessibility of selected public services. These surveys will also assess actual performance against stated obligations and targets as set out in Customer Service Charters that all Offices, Ministries and Agencies have adopted and published.

Measures explored to contain the wage bill


Honourable Speaker,

The continued growth of the Government wage bill remains a huge headache. In 2016/17 the wage bill has absorbed 40% of the total budget; this rate will rise to 46% in 2019/20. Even more disturbing is the fact that the MTEF shows that the wage bill in relation to operational expenditure will increase from 49% in 2016/17 to 57% in 2019/20.

Annual salary increases, automatic salary progression and various remunerative allowances have all contributed to the growth in the wage bill. Negotiated salary increases grew at higher rates than inflation. The recent growth is mainly on account of increases to wages resulting from

annual salary adjustment negotiations, automatic progression and the concluded job evaluation and grading (JEG) exercise.

In the short term, the rate of growth in total wage bill in recent years must be attended to as a matter of urgency because of the threat it poses to fiscal sustainability. Some of the measures that may be considered are the following:

- The suspension on the creation of new posts.
- The adoption of a one-to-one recruitment policy, i.e. recruiting only for vacant posts.
- Ensuring each paid staff member occupies an approved post on the establishment through the implementation of an automated Human Capital Information Management System that is linked to the Payroll System.
- Streamlining and rationalising of multiple bonuses and allowances.
- Increased transparency in wage determination process and future increases by linking it to the prevailing inflation rate and performance.

In the medium term, we have to consider the necessity of a comprehensive public service reform initiative to be undertaken with the aim of strengthening public service delivery to meet development objectives. Efforts to curtail the increasing wage bill should be supplemented by a more transparent and results-oriented pay policy, an organisational structure that adequately provides for the delivery of the mandate of the O/M/A, filled with staff members that possess the

necessary competencies – knowledge, skills and attitude – to execute the functions and responsibilities in an efficient and effective manner. The full implementation of the Performance Management System is critical in support of such endeavours.

Deputy
Honourable Speaker,

Before concluding, let me touch briefly on a number of initiatives and activities in which the Office of the Prime Minister is engaged in.

- As we know, the **Harambee Prosperity Plan** is execution driven through the cascading of performance indicators and targets into the Performance Agreements of Ministers and, in turn, to lower levels in Government. The OPM is reviewing progress of performance targets on a quarterly basis, as set out in all ministerial performance agreements. Where targets are off track, we propose and agree on remedial measures to ensure that performance gets back on track in subsequent quarters. As His Excellency the President indicated during the HPP Mid-Term Performance Review in December 2016, we are generally pleased with progress made on performance management at ministerial level and within the civil service in general, where Ministers, Deputy Ministers and senior public servants have signed performance agreements, which are subjected to quarterly evaluations.
- The OPM, with the strong support of NIPAM, continues to enhance the **human resource capacity** of the entire public sector. It is our

mission to transform the public sector into an efficient, effective and accountable system through capacity development, consulting and research, operational excellence and strategic partnerships.

- We have considerably strengthened our Disaster Risk Management capacity during the extended drought cycle and improved the coordination between all relevant stakeholders. In addition, the focus is shifting increasingly from responding to disasters to building national resilience to natural calamities.
- The OPM is making good progress with the rollout of the Business Process Re-engineering (BPR) initiative. In short, BPR involves the design of workflows and business processes within O/M/As to help them to fundamentally rethink how they do their work in order to dramatically improve customer service, improve efficiency and cut operational costs as well as turn-around time.
- Following nationwide consultations on the **National Equitable Economic Empowerment Bill**, we have sifted through inputs received and grouped them into the most substantive and recurring proposals. If the comments and inputs have merit, we will make the necessary amendments and change the tone and textual language. But, we must not lose sight of the objectives of the Bill and the overall philosophical underpinnings.

Finally Honourable ^{Speaker} Speaker,

As a parting shot, I want to ^{touch} speak on the Budget allocation for the Education Sector

The two Education Ministries will maintain their share in total expenditure (excluding statutory expenditure) at between 26% and 27% throughout the MTEF. This is the single biggest allocation to any public service group.

While inefficiency with regard to educational inputs has received a lot of attention in the past, I believe the focus with regard to education policy should shift strongly to assessing the quality and efficiency of provisioning of outputs and outcomes, such as cognitive ability provided through measures of literacy and numeracy. We therefore, expect the two Ministries to maximise their outputs and outcomes based on the budget allocation to their votes. In times like these there must be a strong focus on cost-efficiency.

I also appeal to the Ministry of Higher Education, Training and Innovation to accelerate measures and programs that will ensure that Grade 10 dropouts, whom the system has sent to the streets, and who forms part of over 40% of the unemployed and unskilled youth in our country, be accommodated, equipped with the necessary skills to enter the job market or to become self-employed. We should act decisively on the plight of these young people and give them the promise of hope for a better future.

With ~~This~~ these few remarks I support the Bill.

I thank you.
