



MEDIA RELEASE

PUBLIC SERVICE NUMBERS AND IT'S WAGE BILL

Getting it into perspective



Hon. Soroi Marepo Eoe, MP

Minister for Public Service Hon Soroi Eoe issues this statement to put into perspective the much debated Public Service Wage bill. The Minister for Public Service says it is ironic to hear Public Servants and Politicians talking about the wage bill that is appropriated each year to pay for the work force that provides for 80 to 90 % of the most basic minimum service to the people of this Nation as being large and deplorable. Yet we negate the fact that as a developing country Papua New Guinea **Government/State is and will be the major service provider** for some time and coupled with the national population growth rate at 3.2 percent and standing government policies on ratio of service personnel to population there will continue to be increases in the new recruitment of public servants into the system to attain this policy. This is so because our standard of living and the capacity of the majority of our people to pay for these basic minimum services is not there yet and until this is developed they will continue to be heavily reliant on the State to provide. Government policy on Free or Subsidized Education and Health services for the population, that recognizes this stage of development of our people, will surely exacerbate the exponential growth in the public service personnel numbers in proportion to the population growth.

The basic Health Service starting at an Aid Post with services being provided by the Community Health Worker (CHW) to Health Centers with Health Extension Officers and Nurses to District Hospitals with Doctors and Health Technicians to Provincial Hospitals with Specialist Doctors and Technical Facilities to Referral Hospitals and the National Training Hospital. The basic Education Services starting at Kindergarten to Pre School to Elementary Learning to Primary to Secondary to Tertiary Colleges and Universities. The Law and Order Services through the Judiciary Service starting with Mediators to Village Courts to District Courts to National Courts and Supreme Courts and the Discipline Forces: Police, Defense and Correctional Services. The bulk of the public servants are located at the District/LLG level.

The current development phase of our country calls for **more Civil Servants to be employed at the frontline of service delivery and not less** as the current ratio of teachers to students has gone way beyond the acceptable standard, 50-60 and in some cases 80 students to one teacher, ratio of population to Law Enforcement Officers, ratio of Judges & Magistrates to increasing number of cases and so forth. The case of no services results from two main factors: no operational funds for public servants to use to move about to provide these service and more seriously no officers to perform supervisory and administration of officers on the frontline of service delivery. In the Colonial Administration era it had Health Inspectors, School Inspectors and Public Service Inspectors moving through the frontline of where services are to be rendered to ensure that Standards are being maintained, officers who are supposed to be at their duty stations are there to provide these services and operational resources are readily available for officers to access in order to provide these services. It is an indictment of our Politicians and top Public Servants, that services are not being rendered because the number of Public Servants are too large and consuming a third of the National Budget and not producing results yet the figures show that already the country has 80 - 90 % of its workforce are already at the frontline of service delivery.

The current staff numbers show that at the frontline of service delivery; Teachers, Health Workers, Judges, Magistrates, Village Courts officials, Mediators, Peace officers, Police officials, Correctional officers and Defense Force Personnel have a total manpower of 103,979 of the 123,729 personnel that Department of Personnel Management (DPM) is managing through the Ascenda pay roll system and this number includes Internal Revenue Commission (IRC) and Customs officials. This number (103,979) makes up 84% of the officers served through the Ascenda Pay Role whilst 19,750 or 16% of these officers are officers who would perform Policy and Administration role mostly in the National Agency level and Provincial & District/LLG Administration. Over the last 10 months till now (pay 17) the number of public servants in the Policy and Administration have reduced by 5.7%, reduction of 1,202 personnel whilst officers at the frontline of service delivery had a 3% increase of 2,733 personnel on to their total work force which is a policy driven increase of staff in teachers, police, judiciary and health workers.

This shows that the NEC Decision 109/2019 and the Special General Order No 11 of October 2019 restricting recruitment is producing positive results in allowing only policy driven increases in staff on strength (SoS) - Teachers, Police, Judiciary and Hospital workers.

There are 141 Government Agencies that are made up of National Government Departments, Provincial Administrations which includes District & Local Level Government Administrations, Commissions, Offices, Corporations, Services, Councils and Statutory Authorities. Of these agencies, 92 of them are on the Ascenda pay system whilst 46 of the Agencies are not on the Ascenda pay roll and 3 Statutory Authorities already abolished through the National Executive Council Decision Number 15/2018

Number	Agency Type	How many on Alesco pay roll
25	National Departments	17
22	Provincial Administration	22
12	Commissions	9
8	Offices	8
6	Corporations	3
5	Services	4
2	Councils	2
61	Statutory Authorities	27

The table below provides number of personnel per agency and the budgetary appropriation, only of those listed agencies whose Personnel Emoluments is managed by DPM through the ASCENDA pay roll system and continuous efforts are being made to bring on board the other remaining agencies into the Ascenda system

1) Public Servants that actually provide services (foot on the ground - the cold face of service delivery)

Grouping	Staff Numbers	2020 Appropriation
Teachers (Teaching Service)	64,500	1,850 million
Health Workers (PHAs and Hospitals)	12,600	610 million
Discipline Services (Police, CIS, & Defense)	12,500	550 million
Village Court & Land Mediation Officials	11,700	50 million
Law & Justice (Judiciary)	1,900	170 million
IRC & Customs	1,130	118 million
Total	104,330 (84%)	Total 3,348 million

2) Public Servants that coordinate, supervise, facilitate & administer service providers

Grouping	Staff Numbers	2020 Appropriation
Provinces (22 prov., 89 dist. & 313 LLG)	8,200	373 million
Total	8,200 (7%)	Total 373 million

3) Public Servants that formulate Macro Policies of government

Grouping	Staff Numbers	2020 Appropriation
National Departments (17 departments)	11,550	782 million
Estimate PE in IFMS/PGAS		100 million
Total	11,550 (9%)	Total 882 million
Grand Total	123,729	Grand Total 4,603 million

The above figures show a significant improvement over previous years when **SOS increase across all agencies averaged 3.0% per annum. Now the increase has been halved to 1.3% and only in exempted agencies with planned increases. As a result, the size of the Public Servants under (Policy & Administration Level) has reduced by 1,202 or 5.7% reduction over the last 10 months. These Pay Bill costs do not include the Parliamentarians, Parliamentary Services, Constitutional Offices, Universities and other funded bodies not paid through Government Payroll amounting to an estimated K600 million pa.**

RETIRING OFFICERS TO MAKE SAVINGS & REDUCE PE BUDGET

The Department of Personnel Management is working towards reducing the PE budget blow out and the first effort is to retire 2,150 public servants who are over the age of compulsory retirement (65+ years) who are still on the government pay roll and must be remunerated and retired. The Department of Personnel Management (DPM) has written to 87 Agencies, in March of this year 2020, who have officers who are still on the pay roll and are over the compulsory age of retirement as of pay 22 listing in 2019. The Agencies were to verify the listing and do the retirement cost calculation for the officers and submit that to the DPM to verify calculations and submit to Department of Treasury for payment. Only 41 Agencies have responded whilst 46 agencies have yet to respond to the Departments (DPM) letter. Of the 41 who have responded, the department has written back to 24 agencies seeking additional or missing information, 2 agencies have verified that their retirees have been paid out through the normal process, 5 agencies have no retirees having verified the age of their employees and 10 agencies have had their calculations verified and submitted to Treasury for payments costing a little over K 24.0 million. However, the total request received so far from the 41 agencies is to retire 1,618 personnel at an estimate cost of K 130.0 million as the department progresses this exercise forward and I am calling on all the agencies to respond immediately to the letters that have been sent to them by DPM.

The table below lists the Agencies with large number of officers that are to be retired and these Agencies have not responded to DPM's letter requesting verification and calculations of retirees' payments.

Agency	# of Retirees	Date letter written	Status
DAL	12	March 2020	No response
SHPA	90	February 2020	No response
Western PA	55	February 2020	No response
Christian Health Services	11	May 2020	No response
DMP&GHM	11	March 2020	No response
CEPA	10	March 2020	No response
WHPA	19	February 2020	No response
NJSS	50	March 2020	No response
Enga PHA	146	May 2020	No response
Hela PHA	87	May 2020	No response
EHPA	11	February 2020	No response
Enga PA	47	February 2020	No response
Jiwaka PA	48	February 2020	No response
Madang PA	26	May 2020	No response
Simbu PHA	50	May 2020	No response
Sandaun PA	20	May 2020	No response
POM GEN. Hospital	11	May 2020	No response
Sandaun PHA	35	May 2020	No response

It is envisaged that with the publication of this information the Agency Heads of these agencies are now put on notice that they must act without delay and give priority to this activity so that State can make savings of about K 200.0 million in PE budget next year.

With regard to poor performance of our Agency Heads the Marape/ Stevens Government has made performance as a major focus by forging a collaborative relationship or meeting of heads as in Convergence of Ministers and Agency Heads and Governors and Provincial Administrators through the Performance Management System (PMS). In administering this and other important responsibilities of Departmental Heads, Provincial Administrators and Chief Executives of Statutory Agencies, the inclusion of Key Result Areas (KRA) as an integral part of the contract will now be administered stringently through the improved process of Performance Management System (PMS) and managing PE will be one of the KRA. The KRAs are now part of their performance base contracts that Agency Heads enter into with their respective Ministers, Governors/PEC and Boards. If they fail to deliver on their KRA they will be given notices to explain their poor performances and this will definitely have an effect on their contract renewal or possible termination under their contract and the Public Service (Management) Act.

UNATTACHED OFFICERS

With regard to the so called 6,000 unattached officers in the Government Payroll, these officers are not actually redundant but are gainfully employed in positions which have not yet been properly configured in the payroll due to restructure. They include newly graduated trainees, for example 1,100 Police Constables not yet allocated to positions, plus 420 others not being paid and some are retirees waiting to be paid out as soon as funds are made available. The Public must not be misled to believe that paying all unattached officers is a waste as many of them continue to provide vital services to the country.

Finally, I take this time to wish all the hard working Public Servants out there who have been working selflessly, effortlessly, in this trying and tough economic times whilst faced with the advent of Corona virus. "I would like to thank you and your families for the sacrifice that you are making and wish you all a blessed 45 years of Independence".

Hon. SOROI MAREPO EOE, MP
Minister for Public Service

