

HIGHLIGHT OF CABINET MEETING – THURSDAY 14 OCTOBER 2021

Cabinet has taken note of the recommendations made by the Pay Research Bureau (PRB) in its Report on the Review of Pay and Grading Structures and Conditions of Service in the Public Sector (Civil Service, Parastatal and other Statutory Bodies, Local Authorities and Rodrigues Regional Assembly) and the Private Secondary Schools.

The Bureau has recommended that the implementation of the recommendations concerning emoluments be phased over two calendar years as follows: from 01 January 2021 to 31 December 2021 the salary increases in excess of Rs1,000 be effected at a discounted rate of 75 percent. Thereafter, as from 01 January 2022, payment be effected in full.

However, in a spirit of solidarity with all the employees of the public sector in these particularly difficult times, Cabinet has agreed that the new salary recommendations of the PRB be implemented in full as from 01 January 2021 itself. The yearly cost to Government would be Rs4.3 billion. The total cost to Government from 01 January 2021 to 30 June 2022 would amount to Rs6.5 billion. Arrangements would be made to pay arrears for the period January 2021 to October 2021 in November of this year.

Cabinet has also taken note that the Bureau has considered, inter alia, the following in making its recommendations –

- (i) the prevailing economic and social conditions of the country;
- (ii) affordability and sustainability of the recommendations;
- (iii) Government's capacity to pay, particularly with the unintended consequences of the COVID-19 pandemic;
- (iv) the key principles of compensation including equity, transparency, competitiveness and employee performance;
- (v) provision of a pay package based on level of responsibilities and job performance;
- (vi) need for fair and equitable compensation in line with market realities;
- (vii) social acceptability, in line with Government's minimum wage legislation and maintaining an appropriate salary ratio of the General Worker to the Permanent Secretary;
- (viii) erosion of purchasing power since the 2016 Pay Review;
- (ix) the need to put more emphasis on improved productivity in the public sector;
- (x) fiscal consolidation measures adopted globally and changes in work processes to ensure business continuity in the wake of the pandemic; and
- (xi) findings of the different surveys carried out by the Bureau.

The salary ratio of General Worker to Permanent Secretary which was previously 1:7 in the 2016 PRB Report has now been set at 1:6.2

The Report is available on the following websites –

- (a) Pay Research Bureau – <https://prb.govmu.org>
- (b) Ministry of Public Service, Administrative and Institutional Reforms – <https://civilservice.govmu.org>