

Najib ditched new government pay scheme as it went off-target
The Malaysian Insider
March 13 , 2012
By Shannon Teoh

KUALA LUMPUR, March 13 — The controversial Public Service Remuneration Scheme (SBPA) was scrapped because it failed to meet the government's commitment of a seven to 13 per cent raise across the entire civil service, Datuk Seri Najib Razak said today.

The Najib administration was forced to ditch the scheme last week after it raised the ire of the 1.4 million-strong civil service for only benefiting top government servants while the majority of the civil service was left with paltry salary hikes.

The prime minister told Parliament today this reason made him order a review of the SBPA just two weeks after it was introduced on January 1.

"In my Budget speech last October, I gave the government's commitment based on the principle of a seven to 13 per cent salary hike and a raise in annual income of between RM80 and RM320.

"But when it was translated into action, it ran off from the decision that was made. That is why we took the decision to cancel SBPA and return to the commitment that I have made," he said in response to Opposition Leader Datuk Seri Anwar Ibrahim.

Najib said on March 8 the existing Malaysian Remuneration System (SSM) would be kept with improvements while the salaries of the Chief Secretary to the Government and top-tier civil servants in the "Premier Service I" (Turus I) category would only be adjusted by seven per cent.

Civil servants in the management and professional groups and Grades 1 to 54, in turn, would see their salaries hiked by 13 per cent across the board, he said.

It was revealed recently that under the SBPA, the Chief Secretary would draw a salary of RM60,000 while those in the "Premier Service" category were to rake in RM36,000, a vast difference from those in the lower pay grades, some of whom were only given increments as low as RM1.70.

The revelation following the obvious disparity between the salaries of top civil servants and those in the lower grades had ignited anger and disapproval in the 1.4 million-strong civil service — a key vote bank for the ruling Barisan Nasional (BN) coalition — ahead of a general election that must be called by May 2013.

Although the scheme was scrapped on March 8, it raised questions about the internal processes within those in charge of the pay review and the Cabinet's competency to digest beyond the headline figures presented to it when the entire wage scheme was being structured.

Najib also defended today the initial introduction of the SBPA, saying at least 13 meetings were held with the Congress of Unions of Employees in the Public and Civil Services

(Cuepacs) across 2011.

The BN chief said this led to a Memorandum of Understanding on the introduction of the new scheme being signed by the civil service union and the government on December 28 last year.

The Malaysian Insider

Copyright © 2012 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/malaysia/article/najib-ditched-new-government-pay-scheme-as-it-went-off-target/>