

■ NATIONAL / LABOUR

## Treasury rejects 4.7% wage hike proposal for public servants

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by LUYOLO MKENTANE



Members of Fedusa, Cosatu and Saftu marched to the National Treasury on November 22 2022 to demand that government accede to their demands for above-inflation wage increases. Picture: NQUBEKO MBHELE

The government has rejected a proposed offer crafted in the public service co-ordinating bargaining council (PSCBC) that could see the country's 1.3-million public servants getting above inflation increases of 6%, raising possibilities the sector might be in line for protracted strike.

The facilitation process led to the department of public service & administration revising its wage offer from 3% to 4.7% for 2025/26, which is above the 3.8% inflation rate recorded in September.

However, in a media briefing ahead of the medium-term budget policy statement (MTBPS) in parliament on Wednesday, finance minister Enoch Godongwana said: "The facilitation process came with a proposal that says we must move to 4.7% and in six months' time we

move to 1.3% and it becomes 6%. As a proposal [this] we have not accepted.

“Unions are now going to get their new mandates, but I’m saying that proposal was from a facilitation process, it’s not necessarily a full offer on the table,” the minister said.



The wage demands for the 2025/26 financial year were viewed as putting Godongwana in a tight spot as they threatened to undermine his efforts to stabilise the country’s finances. The minister has kept a tight lid on the R700bn-plus wage bill, which was once the fastest-growing expenditure item in the budget.

PSCBC general secretary Frikkie de Bruin said on Monday that the government had offered increases to various allowances including the homeowners’ allowance (from R1,784 to R1,900); danger allowance (R597 to R650); special danger allowance (R849 to R920); and service allowance for police (R700 to R920).

Reuben Maleka, GM of the Public Servants Association (PSA), which represents more than 245,000 government employees, had said the PSA was balloting members to see “what the appetite” on that current offer was. “Parties should be meeting at the PSCBC again ... say Thursday or Friday.”

During the MTBPS, Godongwana said the government was implementing a raft of measures, including early retirement, to curb expenditure over the medium term. Over the medium term consolidated expenditure was expected to increase from R2.4-trillion in 2024/25 to R2.8-trillion in 2027/28.

“The medium-term spending adjustments are aimed at maintaining the integrity of key institutions and improving state capability.” The MTBPS outlined the government’s strategy to lift the struggling economy to a “higher and more inclusive growth path”.

The strategy was anchored on four pillars, which sought to build a “capable state” that delivers a reasonable and reliable standard of public service that will foster the necessary environment for more growth and jobs.

“We are implementing initiatives like early retirement, not to merely reduce the size of the workforce, but also to introduce younger talent to the public service. This is part of building a capable, ethical and developmental government.”

Expenditure of R11bn over the next two years has been provided for a voluntary early-retirement package for public servants 55 years and older in a bid to reduce the public sector wage bill (which consumed 32.1% of consolidated expenditure in 2023/24) and to rejuvenate the public service.

It is assumed that about 30,000 government employees will take the package: 12,000 in the first year and 18,000 in the second year. The Treasury hopes to save R2bn each year from the initiative. / *With Linda Ensor*

[mkentanel@businesslive.co.za](mailto:mkentanel@businesslive.co.za)



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Treasury rejects 4.7% wage hike proposal for public servants



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