

JUST IN | Govt reviews pay of public servants

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JUST IN | Govt reviews pay of public servants 14 minutes ago - Marelise van der Merwe (iStock)

Government has, the night before Finance Minister Tito Mboweni is due to deliver his 2020 Budget speech, proposed a review of the public service wage agreement for the year, saying it cannot afford the last leg of the three-year agreement. This is according to a statement issued on Tuesday night by the Public Servants Association, which represents more than 230 000 state employees. The PSA said government approached labour in the Public Service Coordinating Bargaining Council with a request to review salary increases for the year, "thereby denying public servants already meagre cost-of-living adjustments". "Considering the current economic situation that is aggravated by rising electricity costs, petrol price increases, and a rise in the cost of most commodities, public servants simply cannot afford to sacrifice on a salary increase," the PSA said. The Central Executive Committee of the Congress of South African Trade Unions (Cosatu) slammed the proposal, saying it viewed the action as a "direct attack on collective bargaining which will never be accepted". If the review were "smuggled" into Wednesday's Budget speech, it added, the CEC would "regard it as a declaration of war and there will be a parting of ways with government going forward". "This irresponsible and blatant act of provocation will seriously destabilise the public service and we warn the government to abandon this idea and give workers what is due to them on 1 April 2020," it said in a statement. "If the government attempts to smuggle this review in tomorrow's budget speech, the CEC will regard it as a declaration of war and there will be parting of ways with government going forward." According to the statement, the proposal would see Clause 3.3 of the existing wage agreement amended. In terms of the clause in the original wage agreement dated back to 2018, staff would see increases of at projected CPI, projected CPI + 0.5%, or projected CPI + 1%, depending on their job grade. The public sector wage bill has long been a subject of debate. National Treasury has said that growth in the public sector wage bill "needs to be addressed" to cut SA's growing debt burden. Yet an overhaul of public sector wages has proven elusive over the years. While Treasury has promised ratings agencies that government is serious about lowering the wage bill, unions say that at 35% of public spending the wage bill is not excessive, and bigger savings could be achieved elsewhere. Fin24 will add comment from Treasury as the story is updated. This is a developing story.