



<b>MEDIA RELEASE</b>	PSA calls for re-opening of Public Service wage negotiations
<b>DATE</b>	9 April 2019
<b>EMBARGO</b>	None
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Following the announcement of Public Service wage increases on 19 March 2019, the Public Servants Association (PSA) has called for the re-opening of wage negotiations for the Sector as adjustments are not in line with steep cost-of-living increases.

At the signing of the three-year wage agreement for the Public Service in 2018, the PSA that represents more than 240 000 public-sector employees, raised alarm about the impact that the percentage increase would have in the second and third year of implementation of the agreement. The PSA subsequently did not sign what the Union regarded as an inadequate agreement that does not take into consideration the ever-increasing costs of basic commodities, including fuel and electricity.

“The PSA’s concerns were proven to be well-founded with wage increases for the 2019/20-financial year ranging from as little as 5.2% (levels 11 and 12), 5.7% (levels 8 to 10) and 6.2% (levels 1 to 7). The agreement was supposed to provide for the rapid rise in cost-of-living and compensate for the historic underpaying of professionals in the Public Service, especially those in education and health care. This clearly did not happen,” said PSA General Manager, Ivan Fredericks.

The PSA commissioned research into the current cost-of-living, considering recent announcements by government on rising electricity costs, petrol increases, and, as a result, other commodities. “In the last decade, the major factors influencing economic performance have had largely to do with politics. In critical sectors of the economy, such as state-owned enterprises, corrosive tendencies related to state capture, corruption, and financial mismanagement have been the manifestation selfish politics, of which the indirect effects are felt by the economy and consumers. These induced economic hardships for workers justify the need to re-open Public Service wage negotiations,” said Mr Fredericks.

The PSA’s research revealed that these factors were not taken into account when the 2018-wage agreement was signed. “Prices for a number of essential services have been increasing at a significantly faster rate than the CPI. Most of these services are not a matter of choice. Workers must spend money on housing, healthcare, transport, and education for their children. Combining these four measures, creates a new CPI for what we refer to as ‘critical services’ (CS). For the past five years, CS costs have been rising faster than the CPI for every month, except for three months. Between April 2017 and March 2018, CPI inflation was 3.71%. CS inflation was 5.13% - significantly higher than CPI, and higher than the CPI +1% agreement for April 2019 to 31 March 2020,” said Mr Fredericks.

“The PSA has already approached the Public Service Coordinating Bargaining Council to re-open negotiations on Public Service salary increases for 2019/20 to cater for real wage increases,” said Mr Fredericks.

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