

FOR PSA MEMBERS: **PUBLIC SERVICE COORDINATING BARGAINING COUNCIL (PSCBC)**

01-06-2022

## Feedback: Special Council meeting – 31 May 2022

### Public Service wage negotiations: 2022/23-financial year

Members will recall that the employer offered a 0% increase in response to labour's demand. At a Council meeting on 31 May 2022, the response of the PSA and other unions was as follows:

Labour reject the employer's 0% offer and the continuation of the cash gratuity for the 2022/23-financial year. Labour reiterated its position of a pensionable increase and stuck to its demand of a 10% across-the-board increase. During the course of negotiations, the employer proposed to categorise labour's demands as follows:

- Prioritise the cost-of-living and pay progression;
- Separate matters that are already at Council in a process (e.g., Bursary and Danger allowance);
- Differentiate between issues such as Contract Workers, Community Health Workers, Reservists, and Teacher Assistants;
- Access to pension fund, as it is very complex matter; and
- All other demands to be combined, e.g., Housing allowance, Disaster-related matters, leave encashment, and tax relief.

Labour insisted that it will not allow the employer to reduce any conditions of service of members. After robust engagements, the employer proposed five scenarios for possible consideration by labour.

1. The first scenario is the continuation of the cash gratuity, which is rejected.
2. The second scenario speaks to a 4.5% increase across all salary levels, which was also rejected as this will entail an increase of below the current inflation of 5.9% and subsequently create a downscaling of the existing cash members are receiving in terms of the cash gratuity.
3. Scenario three illustrates a sliding scale, which ranges between 3.5% and 6% and which is again on most of the levels below the current CPI and was subsequently rejected as well.
4. Scenario 4 creates the impression that lower levels will receive a 15.4% increase, whereas higher levels will only receive a 1.5% increase. In reality, the same principle applies in that most levels will receive a below-CPI increase.
5. Scenario 5 illustrates an increase that ranges between 1.6% for the highest levels and 10% for the lowest levels. This was also rejected on the same basis as above.

In essence, the employer actually only took the current cash gratuity and equated it into a pensionable increase with different permutations. It has not given any increase over and above what members already enjoy under PSCBC Resolution 1/2021. It is therefore clear that what the employer proposes on the baseline will have a detrimental impact on members. Labour emphasized the importance of the gratuity and, in addition, an improvement on the pensionable increase for all salary levels .

Labour therefore demanded that the employer should go back and revise its mandate and subsequent budget of R20.5 billion to improve the conditions of service of employees. Failure to provide a revised budget will make it difficult for parties to find one another. Labour is, however, optimistic that parties will find an amicable way to resolve this round of negotiations. Members will be updated on developments.

GENERAL MANAGER