

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

20-05-2022

Feedback: Special Council Meeting – 19 May 2022

Public Service wage negotiations: 2022/23-financial year

Members will recall that unions tabled a wage demand on 4 May 2022. The employer undertook to respond on 19 May 2022. Subsequently, the meeting was scheduled where the employer responded as follows:

- There will written confirmation by Treasury to support the offer if an agreement is to be concluded to avoid a repeat of the 2020-wage dispute.
- A single-term agreement is supported, provided negotiations are concluded by June 2022 and the focus is only on a cost-of-living allowance (COLA). In addition, the next round should commence in July 2022 and conclude by September 2022 for negotiations to be aligned with budgetary processes.
- A 0%-salary increase is offered, whilst the cash gratuity for the 2022/23-financial year will continue. The employer, however, hinted at withdrawing the cash gratuity and use the R20.5 billion available budget for a baseline increase, which may not be favourable as it will entail reduced cash-in-pocket for many employees.
- Housing Allowance to increase in terms of the CPI as per PSCBC Resolutions 7/2015. Further, savings will not be paid to employees upon dismissal or resignation.
- The demand for pay progression for employees on maximum notch is not supported. The employer is of the view that the pay progression must be implemented in terms of current prescripts.
- A bursary scheme for children of government employees is under consideration by the Department of Higher Education and Training.
- Permanent appointment of contractual employees is not possible as it must be preceded by the organisational design that would dictate the need for permanent positions.
- Abolishment of salary level one to three will not be possible as it will devalue the rationale for job evaluation and grading in the public sector and is also not affordable.
- The demand that 12% of basic salary be offered during a disaster such as COVID-19 is not supported as it would disrupt the already tabled framework and is not affordable.
- Leave encashment and encashment of capped leave is not supported as it would overstretch the current fiscal framework.
- Access to the pension fund to assist during tough economic conditions cannot be entertained at Council as it should be dealt with at Nedlac.

- Resolution on the recruitment and selection processes cannot be concluded as the process is decentralised, and executive authorities should be engaged individually.
- Medical aid can only increase in accordance with the Medical Price Index and nothing extra as the increase is implemented in terms of a collective agreement.

It must be noted that the employer indicated that it has only R20.5 billion for the purpose of a salary increment and cannot offer anything beyond what is budgeted for. The demand for a 10% increase across-the-board amounts to R49 billion and is not affordable. Briefly, the employer did not agree with a single demand from labour and proposed that these demands be deferred to the next round of negotiations owing to non-affordability in the current financial framework. Labour noted the response as tabled by the employer and will report back to their principals. Labour can only revert to Council on 31 May 2022 owing to unavailability of negotiators from various unions, based on prior arrangements.

Members will be updated on developments.

GENERAL MANAGER