



# INFORMUS

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FOR PSA MEMBERS: **LOCAL GOVERNMENT SECTOR EDUCATION TRAINING AUTHORITY  
(LGSETA)**

17-11-2023

## Update: Salary negotiations for 2023/2024 financial year - 26 September 2023

The PSA demanded a salary increase of 10% across the board, implementation of the PMDS policy and a 1 day working remotely option or R1000.00 for transport allowance. The high costs of living were the primary motivation for the PSA demands. As members may be aware, the employer unilaterally suspended the implementation of the PMDS policy for the past 3 years citing financial constraints. The implementation of the PMDS policy will allow employees who meet their normal targets to get a 1% pay progression. The 1 day working remotely option or R1000.00 allowance will help alleviate the stiff transport costs for employees.

The employer responded that the 10% salary increase is unaffordable because they have only been allowed to increase the levies, they get from municipalities by 3.5%. The employer therefore offered a salary increase of 3,5%. Furthermore, the employer agreed to implement the PMDS policy whereby employees who meet their target will get a 1% pay progression and those employees who exceed their targets will in addition get a performance bonus. The employer indicated that it cannot allow employees to work remotely because the organisation does not meet its performance target and it does not have a monitoring system currently. They are in the process of procuring a system that will allow it to monitor work and allow employees to work remotely. The employer also indicated that they cannot afford the R1000.00 transport allowance due to budgetary constraints. However, the employer indicated that they are willing to enter negotiations with the PSA anytime soon as the organisation can reach its annual performance target of 80%. Both parties revised their positions during the negotiations to reach common ground.

The employer's final offer was a multi-term of 2 years, a 5,5% increase for 2023/2024 and a 5,5% increase for 2024/2025, implementation of PMDS policy and to engage PSA in April 2024 after assessing whether the annual performance target has been reached or not, with the possibility of entering discussions for employees to work remotely. The PSA rejected the salary increase offered by the employer for both financial years. The employer requested to revert to its mandating team to request for a once-off purchasing voucher of R8000.00 to be added to the 5,5% for the 2023/2024 financial year and an additional 0,5% increase for the 2024/2025 financial year. The negotiations will resume on 29 September 2023 for the employer to provide feedback and further engagements.

Members will be informed of any developments.

Reuben Maleka

GENERAL MANAGER