

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

28-09-2023

Update: Salary negotiations for 2023/24-financial year – 26 September 2023

The PSA demanded a salary increase of 10% across-the-board; implementation of the PMDS policy and one day working remotely or R1 000 for a transport allowance. The high cost of living was the primary motivation for the PSA's demands. As members may be aware, the employer unilaterally suspended the implementation of the PMDS policy for the past three years, citing financial constraints. The implementation of the PMDS policy will allow employees who meet the normal target to receive 1% pay progression. The one day working remotely or R1 000 transport allowance will help alleviate stiff transport costs for employees.

The employer responded that the 10%-salary increase is unaffordable as it has only been allowed to increase the levies it receives from municipalities by 3.5%. The employer therefore offered a salary increase of 3.5%. Furthermore, the employer agreed to implement the PMDS whereby employees who meet their target will get 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 as the organisation does not meet its performance target and does not have a monitoring system currently. It is busy procuring a system that will allow it to monitor work and allow employees to work remotely. The employer also indicated that it cannot afford the R1 000 transport allowance owing to budgetary constraints. However, the employer indicated that it is willing to enter negotiations with the PSA soon as the organisation can reach its annual performance target of 80%. Both parties revised their positions during negotiations to reach common ground.

The employer's final offer was a multi-term of two years; a 5.5% increase for 2023/24 and a 5.5% increase for 2024/25; implementation of PMDS policy; and to engage the PSA in April 2024 after assessing whether the annual performance target has been reached, 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 R8 000 to be added to the 5.5% for the 2023/24-financial year and an additional 0.5% increase for the 2024/25-financial year.

Negotiations will resume on 29 September 2023 for the employer to provide feedback and further engagements. Members will be informed of developments.

Reuben Maleka
GENERAL MANAGER