

PROGRESS ON PUBLIC SERVICE WAGE NEGOTIATIONS

INTRODUCTION

The negotiations on salaries and conditions of service for public servants commenced at the PSCBC on 06 October 2014.

LABOUR DEMAND vs. EMPLOYER OFFER

Original Demand – 30	Revised Demand -	Original Employer	Employer Offer – 02	
September 2014	02 March 2015	offer	March 2015	
15% Salary increase	10% Salary increase	Cost of Living	Year 1: Projected CPI	
across the board,	across the board	Adjustments:	+ 1%	
inclusive of CPI with		Year 1: Projected CPI	Year 2: Projected CPI	
effect from 1 April 2015		Year 2: Projected CPI	+ 0.5%	
		Year 3: Projected CPI	Year 3: Projected CPI	
			+ 0.5%	
Single Term	Single Term Agreement	Three year	Three year	
Agreement		agreement	agreement	
R3000 Housing	R1500 Housing	Introduction of	Introduction of	
Allowance across the	Allowance across the	Government	Government	
board	board	Employees Housing	Employees Housing	
		Scheme	Scheme with an	
			increased housing	
		Sliding scale:	allowance from R900	
		• R1400 p/m	to R1100 p/m for all	
		housing allowance	eligible employees	
		for salary levels 1 –		
		2		
		• R1200 p/m		
		housing allowance		
		for salary levels 3 –		
		4		



Government Employees Medical Aid Scheme — 28,5% Aid Scheme— increase in the medical subsidy for GEMS and open scheme members with effect from 1 January 2015 GeMS and open scheme members with effect from 1 January 2015 Leave: Family responsibility leave parents in law Family responsibility leave parents in law Family responsibility leave parents in law Family responsibility leave prematical allowance for salary levels 5 - 10 Increase in the GEMS medical subsidy by an aggregate CPI of aggregate CPI of 17.6% for the years 2012 – 2014. Aligned pre and post retirement medical dispensation to all former employees (GEMS and open schemes) Future adjustments for GEMS medical subsidy to be based on CPI Leave: Family responsibility leave to include parents in law Family responsibility leave to include parents in law Family responsibility in law Family responsibility leave in law	an of ars
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leave on full pay	to nily
• 5 days family	to nily
6 months maternity responsibility 4 months mate	to nily w
leave exist for this leave on full pa	to nily w



	6 months maternity	purpose among	Introduction of O	
	leave	others	• Introduction of 3	
• 2 weeks paid		• 3 days family	days paternity	
paternity leave		responsibility for	leave	
outside of the family	• 2 weeks paid	employees with		
responsibility leave	paternity leave	children with		
	outside of the	special needs	• 5 days family	
• 10 days special	family		responsibility for	
leave for employees	responsibility		employees with	
with children with	leave		children with	
special needs			special needs	
	• 10 days special			
	leave for			
	employees with			
	children with			
	special needs			
Levels 1 to 3 must be	Levels 1 to 3 must be	Compression of	Compression of	
compressed such that	mpressed such that compressed such that		salary levels 1 - 3	
level 4 become an	level 4 become an	undermines the job	undermines the job	
entry level into the	entry level into the	value of salary level 4	value of salary level 4	
Public Service	Public Service	and above	and above	
Bursary scheme for	Bursary scheme for	Conduct a feasibility	Conduct a feasibility	
Public Service	Public Service	study on the viability	study on the viability	
employees' children	employees' children	of a bursary scheme	of a bursary scheme	
		for Public Service	for Public Service	
		Employees' children	Employees' children	
13 th cheque – with	13 th cheque – with	13 th cheque – with	13 th cheque – with	
effect from 1 January	effect from 1 January	effect from 1 January	effect from 1 January	
2016, serving	2016, serving	2016, serving	2016, serving	
employees be allowed	employees be	employees be	employees be	
to exercise a once-off	allowed to exercise a	allowed to exercise a	allowed to exercise a	
choice of the month in	once-off choice of the	once-off choice of the	once-off choice of the	
which they wish their	month in which they	month in which they	month in which they	
13 th cheque to be paid	wish their 13 th cheque	wish their 13 th cheque	wish their 13 th cheque	
	to be paid	to be paid	to be paid	
	1	'	'	



Proposal to bump	up	Proposal to bur	np up	Recognition of	Prior	Recognition of	Prior
the qualify	ing	the qua	lifying	Learning (RPL)		Learning (RPL)	
categories	of	categories	of				
employees to a desi	red	employees to a					
entry level for sal	ary	desired entry level for					
purposes		salary purposes					

COST IMPLICATIONS OF THE EMPLOYER OFFER

The current Wage Bill is R400 billion and is projected to grow to R430 billion in the 2015/16 financial year. This constitutes about 35.5% of the total government budget.

Any increase beyond what is budgeted will lead to borrowing for recurring expenses such as salaries, and impact negatively on operational budgets of departments, infrastructure development, employment creation, and service delivery.

The current employer offer is estimated at R37 billion. This offer is inclusive of the Cost of Living Adjustment plus other benefits for 2015/16 financial year as set out in the table above.

The table below illustrates the potential benefit that the employee will derive from the current employer offer. See Annexure A

CONCILIATION

The PSCBC met on 27 March 2015 to allow Labour to formally respond to the Employer's conciliation proposal. The Secretary of Council advised parties to invoke section 16.3(c) of the PSCBC Constitution which allows parties to opt for facilitation of the negotiations process. The employer accepted this advice; labour indicated that it does not have a mandate to accept facilitation. The employer declared a dispute on the matter. The Secretary of Council will now appoint a conciliator to help the parties reach an agreement (wage negotiations).

The employer is concerned about the period that has lapsed in the negotiations process and believes that parties should now be discussing settlement options. The employer believes that the conciliation process will assist the parties to reach an amicable settlement. And that Public Servants can still receive their increases in April 2015.