

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

		<ul style="list-style-type: none"> R970 p/m housing allowance for salary levels 5 - 10 	
Government Employees Medical Aid Scheme – 28,5% increase in the medical subsidy for GEMS and open scheme members with effect from 1 January 2015	Government Employees Medical Aid Scheme – aggregate medical inflation plus 4% increase in the medical subsidy for GEMS and open scheme members with effect from 1 January 2015	<p>Increase in the GEMS medical subsidy by an aggregate CPI of 17.6% for the years 2012 – 2014.</p> <p>Aligned pre and post retirement medical dispensation to all former employees (GEMS and open schemes)</p> <p>Future adjustments for GEMS medical subsidy to be based on CPI</p>	<p>Increase in the GEMS medical subsidy by an aggregate CPI of 28.5% for the years 2012 – 2014.</p> <p>Aligned pre and post retirement medical dispensation to all former employees (GEMS and open schemes)</p> <p>Future adjustments for GEMS medical subsidy to be based on CPI</p>
<p>Leave:</p> <ul style="list-style-type: none"> Family responsibility leave to include parents in law Family responsibility leave to include assistance to immediate family and parents in law 6 months maternity leave 	<p>Leave:</p> <ul style="list-style-type: none"> Family responsibility leave to include parents in law Family responsibility leave to include assistance to immediate family and parents in law 	<p>Leave:</p> <ul style="list-style-type: none"> Family responsibility leave to include parents in law Family responsibility leave to include assistance to immediate family and parents in law 4 months maternity leave on full pay 5 days family responsibility leave exist for this 	<p>Leave:</p> <ul style="list-style-type: none"> Family responsibility leave to include parents in law Family responsibility leave to include assistance to immediate family and parents in law 4 months maternity leave on full pay

<ul style="list-style-type: none"> • 2 weeks paid paternity leave outside of the family responsibility leave • 10 days special leave for employees with children with special needs 	<ul style="list-style-type: none"> • 6 months maternity leave • 2 weeks paid paternity leave outside of the family responsibility leave • 10 days special leave for employees with children with special needs 	<p>purpose among others</p> <ul style="list-style-type: none"> • 3 days family responsibility for employees with children with special needs 	<ul style="list-style-type: none"> • Introduction of 3 days paternity leave • 5 days family responsibility for employees with children with special needs
Levels 1 to 3 must be compressed such that level 4 become an entry level into the Public Service	Levels 1 to 3 must be compressed such that level 4 become an entry level into the Public Service	Compression of salary levels 1 – 3 undermines the job value of salary level 4 and above	Compression of salary levels 1 – 3 undermines the job value of salary level 4 and above
Bursary scheme for Public Service employees' children	Bursary scheme for Public Service employees' children	Conduct a feasibility study on the viability of a bursary scheme for Public Service Employees' children	Conduct a feasibility study on the viability of a bursary scheme for Public Service Employees' children
13 th cheque – with effect from 1 January 2016, serving employees be allowed to exercise a once-off choice of the month in which they wish their 13 th cheque to be paid	13 th cheque – with effect from 1 January 2016, serving employees be allowed to exercise a once-off choice of the month in which they wish their 13 th cheque to be paid	13 th cheque – with effect from 1 January 2016, serving employees be allowed to exercise a once-off choice of the month in which they wish their 13 th cheque to be paid	13 th cheque – with effect from 1 January 2016, serving employees be allowed to exercise a once-off choice of the month in which they wish their 13 th cheque to be paid

Proposal to bump up the qualifying categories of employees to a desired entry level for salary purposes	Proposal to bump up the qualifying categories of employees to a desired entry level for salary purposes	Recognition of Prior Learning (RPL)	Recognition of Prior Learning (RPL)
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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.