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CIRCULAR 19/2018

FROM : CHIEF EXECUTIVE OFFICER

TO : EXECUTIVE MAYORS / MAYORS
MUNICIPAL / CITY MANAGERS

DATE : 23 MAY 2018

UPDATE ON SALARIES AND WAGE NEGOTIATIONS

The SALGA **Circular 11/ 2018** dated **15 March 2018** in the above regard bears reference.

In the afore-stated Circular, SALGA advised all municipalities of the planned “consultation/mandate seeking sessions” on the **Facilitator Proposal (FP)** that emanated from the negotiation session of the **16 - 18 May 2018**. The latter proposal inter alia provides for the following:

- ❖ ***An across the board 7% salary & wage increase with effect from 1 July 2018.***
- ❖ ***Employees who earn a basic salary of R9000.00 per month or less shall receive a further 0.5% increase with effect from 1 January 2019.***
- ❖ ***The minimum wage, the homeowner's allowance, and the medical aid employer contribution will be adjusted by the percentage of salary increases for the 3-year duration of the salary and wage agreement.***
- ❖ ***The Non-Pensionable Allowance for the GAP market employees will remain unchanged from its current level of R350 and will only be adjusted in year two (2) and year three (3) of the agreement by the same percentage as the salary and wage increase applicable for those years.***

Whereas, during the consultation/mandate seeking sessions held across all of the provinces, a number of reservations were recorded, the view of the majority of municipalities was to recommend the acceptance of the FP. Based on the mandate of municipalities across the provinces, the SALGA National Executive Committee meeting of 10 May 2018 resolved to accept the recommendation to support the Facilitators Proposal. It is SALGA's view that this decision is indeed in the best interests of the local government sector and in so doing, ensure that the conclusion of a multi-year Salary and Wage Agreement for the sector should create the foundation of labour peace and stability for the next 3 years and aide municipalities to achieve their medium-term budgeting objectives. .

With the due date for submission of mandates set as 16 May 2018, we herewith confirm that both SALGA and IMATU are now on record as having “**accepted**” the Facilitator Proposal albeit having reserved their rights to revert back to their original positions should the attempt by the Facilitator to break the impasse not succeed. Only SAMWU is on record as having “**rejected**” the Facilitator Proposal.

SALGA is disappointed with the reasons provided by SAMWU in rejecting the FP as it is the product of all role players in the negotiation process, including SAMWU who has now reverted to its original proposal of 10% increase. At the conclusion of the latest round of negotiations, the parties agreed to re-convene on the **07 June 2018** in order to allow SAMWU sufficient time to properly canvass their members to accept the FP that is currently on the table.

Given this scenario, SAMWU can either come back accepting the FP or retaining the current position of “rejecting” the FP. This then warrants that all our municipalities must ensure that “Strike Management Committees” are resuscitated and be ready for any eventuality. Our Strike Management Guidelines remain the only principles that will be applied in the case of any industrial action.

THE WAY FORWARD:

The Bargaining Committee will re-convene on the **07 June 2018** to receive the outcome of the SAMWU leadership intervention. If the status core prevails, SALGA will then revert to its original offer of **6.6%** and the matter will be subjected to dispute resolution. **No further negotiations** shall ensue around salaries and wages as all parties have exhausted their respective mandates. However, SALGA remains positive that the feedback from SAMWU shall help avoid the unnecessary industrial action in the sector.

It is trusted that you'll find the above in order. For any enquires, do not hesitate to contact our **Mr. Zwe Ndlala on Tel: 012 369 8000** and/or via e mail on zndlala@salga.org.za

Yours Sincerely,



LANCE JOEL
ACTING CHIEF EXECUTIVE OFFICER