

Enquiries: Zwe Ndlala
Tel : 012 369 8000
Fax : 012 369 8001
E-mail: zndlala@salga.org.za

CIRCULAR 20 / 2018

FROM : CHIEF EXECUTIVE OFFICER

TO : ALL EXECUTIVE MAYORS / MAYORS
ALL MUNICIPAL/ CITY MANAGERS

DATE : 08 JUNE 2018

UPDATE ON THE LATEST REGARDING SALARIES AND WAGE NEGOTIATIONS

With reference to the SALGA **Circular 19/ 2018** dated the **23 May 2018**, a copy attached for ease of reference, this Circular presents an update on further developments to date.

The South African Local Government Bargaining Council (SALGBC) parties re-convened on the **07 June 2018** as agreed in order to get feedback from the South African Municipal Workers Union (SAMWU). SAMWU has **formally rejected** the **Facilitator Proposal (FP)** resulting in wage negotiations reaching a **deadlock**. This implies that SAMWU has rejected the actual **7.5%** salary and wage increase proposal for the 2018/ 2019 financial year as **7%** would be implementable from **01 July 2018** and a further **0.5%** would be implemented effective from **01 January 2019**, as presented by the SALGBC Facilitator overseeing the wage negotiations which was coupled with a multi-year collective agreement. Thus, no agreement could be reached and SAMWU decided to formally declare a dispute with the bargaining council. Consequently, the FP which was to be applied across the board and would have taken effect on **01 July 2018, has now been set aside.**

During the feedback session on the 07 June 2018, SAMWU tabled two options which were aimed at modifying the Facilitator Proposal and against which all parties were warned should not happen. Firstly, they proposed a conditional acceptance of all the terms of the multi-year FP with a condition that Year 1 (2018/19) would entail a **8%** wage increase. Secondly and as an alternative to the latter, they proposed a **single year 7% wage increase**. SALGA and IMATU were taken aback with SAMWU's new stance and rejected this in favour of the old Facilitator's proposal. SALGA is very disappointed by SAMWU as these developments have direct consequences to all the parties, including IMATU. Given that SAMWU has rejected the Facilitator's proposal, SALGA's has now reverted to its "**final offer**" of **6.6%** because this is what municipalities had initially mandated it to present.

It is considered of paramount importance to indicate that SALGA wants to put it on record that SAMWU has not provided reasons for rejecting the Facilitator's proposal or taken the parties into

confidence as to why they were rejecting the Facilitator's proposal when they were party to its conception.

As a consequence to the dispute declared by SAMWU, SALGA has announced that it is **suspending** the **wage curve** negotiations as it was unequivocally submitted at the commencement of the negotiations that it has an impact on the salary and wage negotiations. SALGA is of the view that the shifting of goal posts by SAMWU will eventually make the workers the biggest losers if one considers the constrained financial environment that municipalities are operating in. However and notwithstanding these developments, SALGA remains optimistic that SAMWU would re-consider its stance and will return to the negotiating table.

THE WAY FORWARD:

The current stalemate will only be resolved through the “**dispute resolution**” process. As SAMWU has declared the dispute, the matter will be subjected to a “**conciliation**” process by a Senior Panelist to be appointed by the Bargaining Council. In the event that the said conciliation does not yield any positive results, a Certificate of non-resolution will be issued. The latter Certificate shall then entitle SAMWU to embark on strike action after having formerly served the required **seven (7) days' notice**. However, the parties may still consent that the dispute should be escalated to “interest arbitration”, which SALGA has been mandated to pursue as a dispute resolution strategy. In a nutshell and at the present moment, no party has any right to embark on a strike action until all these cited procedures have been observed.

As indicated in our previous Circular, Strike Management Guidelines of SALGA shall be relied upon in the event that the dispute gets escalated. It must be emphasised that, as the majority of municipalities do not have any **Minimum Services Agreements (MSAs)**, all designated “**essential services**” will continue to operate as normal. None of the employees who are attached to the designated essential services will be allowed to participate in any industrial action. Any such participation by those employees will result in the institution of disciplinary measures that might result in the termination of their duties.

SALGA would like to emphasise that the contents of this Circular should be brought to the attention of all employees within the municipality as it is within their right to understand what has transpired in the negotiations and the implications of whatever action they might be cajoled to participate in.

We trust you 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,



XOLILE GEORGE
CHIEF EXECUTIVE OFFICER