

## Media Statement

For immediate release

17 May 2018

### **SALGA disappointed with SAMWU's rejection of the wage deal**

The South African Local Government Association (SALGA) has noted with disappointment the rejection of a wage offer by the South African Municipal Workers Union (SAMWU). This after the South African Local Government Bargaining Council (SALGBC) negotiation's facilitator presented an offer to all parties at the last round of salary and wage negotiations in April.

Meanwhile, SALGA has welcomed the Independent Municipal and Allied Trade Union (IMATU) for accepting the offer as presented by the facilitator and appeals to SAMWU's conscience to seriously reconsider their stance.

As the SALGBC two-day Committee Meeting resumes today to report back on the wage deal, 17 – 18 May, at Birchwood Hotel, Johannesburg, SALGA remains optimistic that a positive outcome will be found.

SALGA Executive Manager for Municipal Institutional Development and Head of Negotiations, Rio Nolutshungu says: "We are going to this meeting with an open mind to hear what will be the reason for SAMWU to reject the wage offer that is to us progressive, fair and just. We remain resolute and are encouraged by IMATU for coming on board by accepting the offer."

“We entered these negotiations against a backdrop of reports that 112 municipalities don't have the money to carry out service delivery plans for the current financial year due to unfunded municipal budgets. The sector is under significant financial strain and this is what we have been flagging to all the parties during the negotiations”, says Nolutshungu.

At the end of the 4th and final round of salary and wage negotiations for municipal employees held from 16-18 April 2018 in Durban, SALGA tabled 6,6% supplemented by inflation-linked increases in the outer years of a three (3 year) wage deal. The offer was presented by SALGA with a view of seeking to secure an agreement with the unions at the negotiating table.

The effect of the demands by the unions will increase the current municipal wage bill from R87.3 billion to R94.9 billion.

**The main elements of the facilitator proposal can be summarised as follows:**

- 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.
- The parties further resolved to conclude the retirement fund restructuring process in a separate collective agreement.

**END**

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