

Media Statement

For immediate release

28 June 2018

UPDATE ON THE MUNICIPAL WAGE AND SALARY NEGOTIATIONS

Parties at the wage negotiations close to find one another but no deal yet!

JOHANNESBURG: SALGA has just emerged from a conciliation meeting, following the declaration of a dispute by the unions on the salary and wage negotiations. This is the first of the two conciliation meetings planned to resolve the wage impasse. The conciliation meeting follows the rejection of the Facilitator's proposal by SAMWU in the negotiating table. The conciliation process has been put in place after the two Unions referred two separate disputes, using prescribed procedures of the Bargaining Council.

As a dispute resolution mechanism, the conciliation process provides for a platform to reconsider the terms that the Facilitator presented to the parties.

In summary, the Facilitator's proposal entails the following:

- 1) An across the board 7% salary & wage increase with effect from 1 July 2018.
- 2) 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.
- 3) 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.
- 4) The Non-Pensionable Housing 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.

On Thursday, 28 June 2018, the first conciliation meeting started on a good note, where parties acknowledged the importance of an inclusive approach in the conciliation process in order to bolster the prospects of achieving an amicable settlement. The next meeting for conciliation is scheduled for 16 July 2018. SALGA respects the rules of the Bargaining Council and the desire of the Unions to approach the dispute process in different ways, hence our willingness to accommodate the two conciliations separately from one another. This position is informed by a realization that an inclusive approach to dispute resolution offers the best possible chance of brokering a deal for local government.

The implications of the parties failing to reach an agreement at this stage means that the existing wage agreement lapses on 30 June 2018. As a consequence of the agreement lapsing, municipal employees will not be getting a salary increase in July 2018, being the first month of the new financial year. In addition, a category of employees who are currently receiving a Non-Pensionable Housing Allowance will no longer be receiving this benefit.

SALGA remains committed to the finalisation of this process in a manner that promotes the continued stability and sustainability of the sector. We urge members of the public to exercise patience as we navigate this critical phase of the negotiation process which is intended to explore all possible avenues to reach an agreement.

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