



SALGA
South African Local Government Association

Enq: Tahir Sema
Tel: 0768624315
Fax: 012 369 8001
E-mail: tsema@salga.org.za
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Local Government wage negotiations successfully conclude with no strike action

The South African Local Government Association (SALGA) has successfully concluded the salary and wage negotiations with Trade Unions in the Local Government sector. Strike action and its destabilising effects have been averted. The agreement is a three year deal which will ensure labour peace, medium term budget certainty and stability in the sector, to the benefit of all residents of our country.

The salary and wages agreement will cover 270 000 employees in 278 municipalities. The agreement includes, for year one (2015/2016) a 7% increase effective from 01 July 2015, for year two the average CPI (inflation) + 1%, for year three the average CPI + 1%. The minimum wage will increase from R5621.00 to R6014.93 per month while a special purpose medical aid benefit instrument is to be created that targets low income earners and lastly, the home owner allowance in the sector will increase from R545.00 to R700.00 per month. Employees earning below R8000 per month will under specific provisions receive a non-pensionable monthly allowance to address the "Gap Housing" problem being experienced in the sector.

The conclusion of the salary and wage agreement for the sector is a significant milestone. This will pave the way for the sector to address other pressing matters such as retirement fund reforms, the effective procedures for the management of discipline, and providing clear governance and performance standards that have to be followed by parties, municipalities and employees in general to effect and sustain improvements in the quality of public services delivered countrywide.

The parties also concluded a stream-lined set of uniform conditions of employment which will greatly assist municipalities in ensuring effective management and delivery of services.

One of the highlights of these negotiations was that we spent a significant amount of time discussing and incorporating a service charter into the agreement. The service charter will ensure that all parties express their commitment to improving service delivery to the benefit of all citizens of South Africa, improve good governance and fight corruption.

Trade Unions in the sector and SALGA were negotiating this time around under difficult conditions. In order to improve the performance of the economy, Government adopted a stringent fiscal policy stance compatible with lower inflation and interest rates. Government's macro-economic strategy prescribed that wage demands and settlements had to be realistic and responsible. We are glad to announce that we have achieved this.

SALGA National

Block B
Menlyn Corporate Park
175 Corobay Ave
Cnr Garsfontein Rd
Waterkloof Glen X11
Pretoria 0181
Tel: 012 369 8000
Fax: 012 369 8001

Eastern Cape

1st Floor
3 Berea Terrace, Berea
East London 5214
Tel: 043 727 1150
Fax: 043 727 1156

Free State

36 McGregor St
East End
Bloemfontein 9300
Tel: 051 447 1960
Fax: 051 430 8250

Gauteng

3rd Floor Braampark
Forum 2, 33 Hoofd St
Braamfontein 2017
Tel: 011 276 1150
Fax: 011 403 3636

KwaZulu-Natal

4th Floor Clifton Place
19 Hurst Grove
Musgrave
Durban 4000
Tel: 013 817 0000
Fax: To follow

Limpopo

127 Marshall St
Polokwane 0699
Tel: 015 291 1400
Fax: 015 291 1414

Mpumalanga

SALGA House
11 Van Rensburg St
Nelspruit 1200
Tel: 013 752 1200
Fax: 013 752 5595

North West

Suite 400, Jade Square
Cnr O R Tambo &
Margaretha Prinsloo St
Klerksdorp 2570
Tel: 018 462 5290
Fax: 018 462 4662

Northern Cape

Block Two,
Montrio Corporate Park
10 Oliver Road,
Monument Heights
Kimberley 8301
Tel: 053 836 7900
Fax: 053 833 3828

Western Cape

7th Floor
44 Strand Street
Cape Town 8000
Tel: 021 446 9800
Fax: 021 418 2709

We thank all parties to the South African Local Government Bargaining Council (SALGBC), and the Council itself for showing maturity, leadership and doing all that was reasonably possible to ensure we reached an amicable settlement that is in the interest of the sector and its sustainability. As SALGA we continue to remain committed to giving our employees conditions of service and increases that are fair to all parties concerned. SALGA will also start a process of guiding municipalities to implement the agreement.

END

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For further comment please contact
SALGA's spokesperson on negotiations Tahir Sema on 0768624315.
Via Twitter @TahirSema