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MEDIA STATEMENT

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SALGA and Organised Labour Parties conclude third round of Salary and Wage negotiations with Facilitators' Proposal in sight

[KwaZulu-Natal, Durban] The South African Local Government Association (SALGA), alongside organised labour, has concluded the third round of salary and wage negotiations, with the Facilitators' Proposal now on the table. This proposal suggests a six percent (6%) wage increase, which all parties will now consider as part of the wage deal.

Following three intense rounds of salary and wage negotiations held on 15-19 July 2024, 23-26 July 2024, and 12-15 August 2024, at the South African Local Bargaining Council (SALGBC), the facilitators issued the Facilitators' Proposal, dated 15 August 2024, proposes a salary and wage agreement for a five-year period.

The proposal aims to provide for salary and wage adjustments across the board in the context of the realities brought by high inflation, a constrained economy, and limited fiscal resources.

Should all the parties endorse the proposed salary and wage agreement it will come into operation with effect from 01 July 2024 and shall remain in force until 30 June 2029. This will be the first ever salary and wage agreement spanning a five-year period ever obtained in the history of the bargaining council and will go a long way in ensuring the much-needed labour stability in the sector.

SALGA, the employer body, representing 257 municipalities across the country, along with the South African Municipal Workers Union (SAMWU), and the Independent Municipal and Allied Trade Union (IMATU), now have a new task at hand which is to sell the Facilitators' Proposal to their respective constituencies for a mandate and approval.

The Facilitators' Proposal on a salary and wage collective agreement, among others calls for the following:

Salary Increases

- **2024/2025 (Year 1):**
 - A 6% increase, with 4.5% effective from 01 July 2024 and an additional 1.5% from 01 March 2025.
- **2025/2026 (Year 2):**
 - An increase based on the 2025 CPI + 0.75%, effective from 01 July 2025.
- **2026/2027 (Year 3):**
 - An increase based on the 2026 CPI + 0.75%, effective from 01 July 2026.
- **2027/2028 (Year 4):**
 - An increase based on the 2027 CPI + 1.25%, effective from 01 July 2027.
- **2028/2029 (Year 5):**

- An increase based on the 2028 CPI + 1.25%, effective from 01 July 2028.
- **CPI Adjustments:**
 - If CPI falls below 4%, it will be deemed 4%. If it exceeds 7%, it will be capped at 7%.

Linked Benefits and Conditions of Service

- A 4.5% increase from 01 July 2024, with an additional 1.5% from 01 March 2025.
- Subsequent increases will align with salary increments as outlined above.

Productivity and Service Delivery

SALGA's approach to these negotiations is also premised on the productivity levels of municipalities, linking salary increases to service delivery. On the issue of productivity, the Facilitators' Proposal states that parties at the negotiation table "recognise that, wage increase adjustments strive to reinforce, encourage and promote optimal municipal performance to ensure a higher level of productivity. Therefore, this salary and wage adjustments collective agreement must be seen to attract and retain scarce and critical skills to help municipalities maintain financial sustainability and viability".

Economic Context and Exemptions

Given the challenging economic climate and shrinking municipal revenue, SALGA has been mandated to negotiate a feasible salary and wage agreement. Part of this was to introduce a revamped exemption procedure to assist financially distressed municipalities to apply to be exempted from the wage deal.

Way forward

Parties must submit their acceptance of the proposal in writing to the SALGBC by 14h00 on 02 September 2024.

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