

UPDATE ON PUBLIC SECTOR WAGE NEGOTIATIONS



From DENOSA's Organising, Bargaining and Campaigns Unit

This is the second update since the previous one after we submitted our demands as organised labour at the PSCBC for public sector employees.

Subsequent to the update where organised labour submitted its demands to the employer at the Public Sector Coordinating Bargaining Council (PSCBC), the employer returned to the PSCBC with the counter offer to organised labour from 9 to 26 January 2018. In essence the employer acceded to some demands, and did not concede to others. The employer had requested a two-week break from the negotiations until 12 February 2018 for reconvening of the negotiations at the Council.

This period also gave all trade unions an opportunity to give feedback to their members about the response of the employer to their demands, and to get a new mandate from workers on the way forward in areas where employers did not accede to workers' demands. It is a matter that unions are currently going through, giving feedback to workers on the ground through their structures. In essence, this means the negotiations have until March to be concluded as April marks the beginning of the new financial year.

After this process, COSATU unions will meet on 9 February at COSATU to attend the Joint

Mandating Committee (JMC) meeting where they will be consolidating the demands from workers in preparation for the reconvening of the negotiations on 12 February at PSCBC in Centurion.

Members are urged to attend and fully participate in these meetings and give their input in their feedback institutional meetings.

Below is the summary of the response from the employer to our demands as workers.

1. Term of agreement

- Labour demanded a single term.
- Employer is offering a three-year multi-term agreement.

2. Form of adjustment & Percentage.

- Labour demanded a sliding scale with the following percentage range 10 up to 12% within the salary levels.
- The employer is offering for **the first year** CPI +1.5% Level 1-7
- CPI +1% Level 8-10
- CPI + 0.5% Level 11-12
- **For the second year**
- CPI +1.0% Level 1-7
- CPI +0.5% Level 8-10
- CPI Level 11-12
- **For the third year**
- CPI + 1.0% Level 1-7
- CPI +0.5% Level 8-10
- CPI Level 11-12

3. Pay progression

- Labour demanded the equalisation of percentage to 1.5% to all sectors on annual basis and the removal of the ceiling on employees who are on personal notches.
- Employer conceded to labour demand on equalisation of

percentages to 1.5% on annual basis, but did not agree with labour on the removal of the ceiling on employees who are on personal notches.

- They further propose that sectors should be responsible for the implementation thereof.

4. Leave dispensation

Family responsibility leave

- Labour demanded the increase of leave days and the removal of the 18 years cap on the definition of the child.
- The employer responded by saying the demands the removal of the 18 years cap for children who have severe special needs is catered for in Resolution 2 of 2015 clause 4, but labour position was not only limited to children who has special needs only but also normal children who are below 21 years who are still under the care of their parents.

Surrogacy leave

- The employer conceded to labour demands for the above mentioned dispensation such leave will be equivalent to maternity to a period of four (4) months commencing from the expected date of birth of the child.

Shop steward Leave

- Employer conceded to labour demand that days used by a shop steward for union activities while on vocational leave shall be converted into shop steward leave dispensation.

Temporary incapacity leave

- Labour demand is to be granted by default to employees where the employer fails to comply with the time frame for investigation and feed-back (30 days). Hospitalisation leave should be approved automatically and not be subjected to the normal approval process.
- Employer is proposing that they will be developing a guiding document o temporary Incapacity Leave and table such with the reviewed policy on ill health retirement in the PSCBC for consultation.
- Labour subsequently requested that a time frame should be attached to such a process and proposed the end of February 2018.

Capped Leave

- Labour demanded that the employer should pay employees for their capped leave days on resignation.
- The employer does not want to accede to this demand stating that leave days is a privilege not a right.
- Leave for religious observant
- Labour demanded that 3 days per annum) to be granted to Public Service Act personnel.
- Employer does not want to accede to this demand.

5. Housing

- Labour demanded that the Housing Allowance to be increased to R2500-00
- Payment of the housing allowance to both spouses who are public servants

- The savings option in the housing scheme should be made a voluntarily
 - Employees should be paid out their savings from the scheme upon resignation from the public service
 - A definition of a PTO must be drawn and circulated to all respective directorates for ease of implementation

- PIC must create a housing investment portfolio that will directly invest in the scheme

The employer is conceding to the delinking of spouses, for the purpose of payment of the housing allowance and that the increase such be still according to resolution 7 of 2015 which that it must be linked to CPI for the preceding year.

- Permission to Occupy (PTO) the employer is promising to take the responsibility to develop a definition and circulate to all departments for ease of implementation, however labour is suggesting a time frame of the end of February 2018.
- Public Investment Corporation (PIC) there is a consensus position that says the corporation should create a housing investments portfolio that will direct investments of the scheme. The advisory body established as per resolution 5 of 2017 must give effect to this provision.

6. Abolishing of Salary level 1-3

- Labour demanded that the entry level in the public service should be level 4.
- The employer did not agree with this demand stating that it will have a huge financial implication since there will be a bumping up of all salary levels.

- Labour proposes that in conceding on their demand the employer should consider developing a mechanism through which the benefit structure for level 1-5 would be enhanced, and some time frame such be attached to this process.

7. Comprehensive Danger Allowance

- Labour demands is a single comprehensive danger insurance in the public service in line with PSCBC Resolution 5 of 2015, Clause 3.1
- The addition of identified categories by Sectors.
- The employer is proposing that PSCBC should conduct a research to benchmark within six months from the date of the agreement.

8. Outstanding Matters

- There is a consensus position that says parties agree that the following matters be referred back to council for a secondary process of review that must be completed within six months from the date of this agreement.
- Resolution 3 of 2009
- Resolution 4 of 2015 clause 4.1.4
- Resolution 5 of 2015 clause 3.

9. Moratorium on the filling of the vacant posts

- Labour demand is that the recent moratorium of filling of vacant posts must be immediately lifted.
- Employer response is that they will conduct an audit to establish where such practices may exist and this process must be completed within 6 months from the date of this agreement enjoys the majority.

10. Bursary scheme

- There is consensus position that parties agree that a process to establish a bursary scheme for the children of the public servants should ensue.
- A policy document should be formulated.
- We are therefore proposing a telephone conference for the 2nd February 2018 for the refreshment of our demands on the meantime please assist us by getting mandates from our structures.

End